



Daily Report

Central Eurasia

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OSCE Official Calls For Exchange of All Karabakh Hostages

LD2503005295 Moscow ITAR-TASS World Service in Russian 1813 GMT 24 Mar 95

[By ITAR-TASS correspondents Sevinadzh Abdulayeva, Viktor Shulman]

[FBIS Translated Text] Baku, 24 Mar—Vladimir Kazimirov, the Russian co-chairman of the Minsk Conference on Nagorno-Karabakh, called for the exchange of hostages and prisoners, victims in the conflict between Azerbaijan and Armenia, on the principle of "everyone for everyone" in Baku today.

He said this humanitarian act could be carried out by 12 May, the first anniversary of the cease-fire in the area of the conflict, if the conflicting sides were to show the goodwill they have so often spoken about. He is convinced this will give an extra boost to the peace process and, more than that, believes that fixing a date will open the way for a show of goodwill by both sides.

Outcome of Grachev Visits to Georgia, Armenia Eyed

MM2703093995 Moscow KRASNAYA ZVEZDA in Russian 25 Mar 95 p 1

[Report by Vitaliy Denisov and Aleksandr Pelts: "Important Factor for Security"]

[FBIS Translated Text] That was how Georgian leader Eduard Shevardnadze assessed the accords reached in Tbilisi [reference to headline]. Let us remind you that it is a question of the initialing of the Treaty on Military Cooperation Between Russia and Georgia, which took place during the tour by Army General Pavel Grachev, Russian defense minister, of the Transcaucasus. The initialing of the treaty opens up favorable prospects in relations between the two countries and is evidence of a new level of mutual understanding. The signing of the treaty will take place somewhat later when the leaders of the two states—Boris Yeltsin and Eduard Shevardnadze—have finally agreed on the date of their meeting.

The main result of the talks was the decision to set up four Russian military bases in Georgia. They will be sited in Gudauta, Batumi, Akhalkalaki, and Vaziani. The document is designed to cover a 25-year period, as previously proposed by the Russian side. Apart from the main document Army Gen. Pavel Grachev and Georgia's defense minister, Lieutenant General Vardiko Nadibaidze, signed a protocol on the Russian military bases' conventional arms quotas in line with the CFE Treaty. Agreements were also signed on airfield-technical support services for the two countries aircraft and the details of future military-technical cooperation discussed.

Another important factor during the Russian defense minister's tour of the Transcaucasus was the study of the problems of social protection for servicemen who have performed their military duty far from Russia and their

families. This question is becoming particularly topical during the creation of our military bases in the Transcaucasus region.

Army Gen. Pavel Grachev also visited Armenia, where he had a number of meetings with the republic's President Levon Ter-Petrosyan during which they clarified questions pertaining to the Russian-Armenian Treaty on Military Cooperation and studied problems of financial, material-technical, and social support for our troops. What is more, the Russian defense minister discussed the problems of creating a unified air defense system in the Transcaucasus, an accord on the creation of which was reached during the meeting of the CIS heads of state in Almaty. The question of the deployment of Russian units and subunits in strategically important areas was also considered. The main forces of the 102d Russian military base on Armenian territory will be stationed near the population center of Gyumri. Some of the base's autonomous subunits will be sited in Yerevan and other parts of the republic.

During the meeting with President Levon Ter-Petrosyan and Armenian Defense Minister Serzh Sarkisyan they also discussed the aims of the first joint Russian-Armenian tactical exercise involving live fire. It is intended that this will take place in late March near the population center of Armavir. A motorized rifle regiment and an aviation and artillery subunit of the Group of Russian Forces in the Transcaucasus will be taking part in the exercise on the Russian side. Representatives of neighboring states are not being invited since the number of troops enlisted in the exercise does not exceed the norm laid down in current international agreements.

Army Gen. Pavel Grachev once again returned to Yerevan 24 March after a brief visit to Moscow in connection with his participation in a session of the Security Council. He joined Armenian President Levon Ter-Petrosyan and Armenian Defense Minister Serzh Sarkisyan in visiting the Russian Army's training center near the population center of Armavir.

Having heard reports by the leaders of the exercises, the Russian defense minister said that the exercises have been prepared in the light of the shortcomings in troop command and combat use revealed by the Chechen conflict. Around 2,000 Russian and Armenian servicemen and around 250 pieces of armored hardware will be taking part in the exercises in all.

Army Gen. Pavel Grachev noted that close and constructive military and military-technical cooperation between Russia and Armenia could serve as an example for other Commonwealth countries.

Further on Grachev's Transcaucasus Visit

MK2503102095 Moscow KOMMERSANT-DAILY in Russian 25 Mar 95 p 4

[Report by Ilya Bulavinov: "Results of Pavel Grachev's Visit to Transcaucasus. Minister at the 'Point of Return:' Visiting Stalin's Home Town"]

[FBIS Translated Text] The Russian defense minister's trips to the Transcaucasus have become traditional: over the past 13 months Pavel Grachev has visited the regions three times. The problems that were discussed during the latest voyage are also traditional—Russian military presence, conflict settlement, and Russia's cooperation with the Transcaucasus republics. Certain aspects of the trip, which was halted 23 March to be resumed the next day, give one grounds to suggest that Moscow has adjusted its line with regard to these states. To all appearances, the role of Pavel Grachev himself on the international scene is also changing, or, rather, is being restored. Ilya Bulavinov comments on the situation.

"I have a personal assignment from the Russian president to discuss the Abkhazian problem with the Georgian leadership," Pavel Grachev told journalists on the first day of his visit. This was not said by chance. Recently, the minister's role in the settlement of Russia's foreign policy problems has visibly declined. Last year, Pavel Grachev supervised a settlement in Karabakh, tried to negotiate the split of the Black Sea Fleet, worked on "Partnership" with NATO together with Kozyrev, signed intergovernment documents (as a matter of fact, an agreement he signed with France called for the level of deputy prime minister), and was even able to act as a substitute for the foreign minister in talks with British Foreign Secretary Douglas Hurd. But at a certain point everything collapsed and Grachev had to limit himself to talking with defense ministers alone. Far from all of them, however, are looking forward to a meeting with their Russian counterpart (as, for instance, Germany's Volker Ruehe). Apparently, Grachev's Tbilisi passage, together with his words that previous measures on an Abkhazian settlement were "not very successful" (he must evidently have meant actions by the Foreign Ministry and his—now former—deputy Georgiy Kondratyev), should show who is going to deal with the region and who is returning to "big-time" international politics in general. Admittedly, the return of the general was accompanied by all the requisite trappings.

The initialing of a package of documents was the main and, perhaps, first result of Russian-Georgian military cooperation. On the Georgian part it was signed by current Georgian Defense Minister Vardiko Nadibaidze, former subordinate of Grachev as former commander of the Group of Russian Forces in the Transcaucasus. The two sides approved the protocol on conventional arms quotas under the treaty on conventional forces in Europe, an agreement on airfield-technical support, and also—which is currently the most important thing for Moscow—a document on setting up Russian military bases on Georgian territory. Moreover, Russia received even more than it could expect. In addition to three main bases in Vaziani (apart from a motorized rifle regiment, it houses an aviation regiment, which makes it possible to use the base as an air-defense facility), Akhalkalaki (a motorized rifle unit), and Batumi (a naval base and a motorized rifle unit, where, by the way, Nadibaidze's son served) Russia received nearly the entire coastal infrastructure from Poti to Gudauta, including two specialized naval ports in Poti

and Ochamchira. Moscow will evidently try to include in the Batumi grouping the 145th Paratroop Regiment, deployed in the Abkhazian city of Gudauta. It is expected that the accord will be signed for 25 years (as that with Armenia). But it is not yet clear when it will be signed by Yeltsin and Shevardnadze. At least two serious obstacles remain. First, if the IBERIYA news agency can be trusted, the Georgian leader added a more than serious postscript to the document initialed by the ministers. Its essence is as follows: he will sign the accord only after Georgian jurisdiction is restored on the entire territory of the republic, including Abkhazia, something that is still problematic. Second, the Georgian parliament's attitude to military cooperation with Moscow does not promise an easy ratification of the treaty. While Pavel Grachev was holding talks with Eduard Shevardnadze, Iraklii Tsereteli, leader of the National Independence Party, demanded that Grachev be deported from Georgia because he allegedly came "to legalize Georgia's occupation." The situation has been compounded for Moscow because 1995 marks the expiry of the treaty on the status of Russian troops on Georgian territory, so it has to make haste with regard to straightening out these legal formalities. Probably this is what has prompted Russian military leaders to express their readiness to send instructors and technical assistance to the Georgian Army's personnel training center, even though formerly this assistance was linked to a solution of the base issue and the determination of Abkhazia's political status (as a matter of fact, Grachev did not drop in on Abkhazia, but emphasized the need to maintain a single Georgia as a federation).

Grachev was unabashed by the problems. While Georgian deputies demanded that he be declared persona non grata (Grachev is out of luck with deputies everywhere), the minister was baptized according to Orthodox rites and visited Stalin's home-museum in Gori. Maybe the minister expected that a visit to the generalissimo's home town would boost his luck. Stalin's actions on the territory of the North Caucasus District—which also includes the former Tsaritsin [now Volgograd; Stalin was commander of the city's defenses during the civil war]—have drawn mixed assessments. But what matters is the end result.

Grachev's trip to Armenia turned out to be somewhat hashed up. Indeed, who could have imagined that Boris Yeltsin, inspired by the news that his high-ranking Western friends finally decided to attend celebrations to mark the 50th anniversary of V-day, would suddenly wish to discuss the progress of preparations for the celebration right at a meeting of the Security Council, of which Grachev is a member. There were much fewer problems on Armenian soil, however: the main thing—the treaty on a military base—had already been signed and even talks with Levon Ter-Petrosyan were rather ceremonial in nature. The minister's 24 March return to Armenia to witness the culmination of Russian-Armenian cooperation—joint exercises in the west of the republic—can be seen as demonstrative support for a CIS ally. The presence of the Russian defense minister at joint exercises near

Heydar Aliyev's "dominion"—Nakhichevan—and the Turkish border looked fairly spectacular indeed.

Still, it is impossible to resolve the problem of recreating the Transcaucasus' air-defense system without Azerbaijan, where the Gyumri early warning station is located. Initially, Aliyev promised to lease it to Russia; later he only agreed to discuss the matter. Currently he no longer promises anything. Grachev's route did not pass via Baku. This says a lot. Either Moscow no longer expects to agree on anything precisely with Aliyev, or it has decided to put forward the argument of joint Russian-Armenian maneuvers before resuming talks on the future of the radar.

Baltic States Discuss Joint Protection of Air Space

LD2403124795 Moscow ITAR-TASS in English 1155 GMT 24 Mar 95

[By ITAR-TASS correspondent Galina Kuchina]

[FBIS Transcribed Text] Riga March 24 TASS—A conceptual framework of a single system of control and protection of the air space of Latvia, Lithuania and Estonia will be submitted to the NATO headquarters in Brussels on April 12. The creation of this model was discussed on Thursday [23 March] by representatives of the command of the armed forces of the three Baltic states jointly with NATO experts. When discussing the problem, they were taking into account the NATO requirements to such systems.

Specialists pointed to the complexity of the task facing the Baltic states and stressed that the creation of a modern technical basis for the control and protection of the air space would require tremendous expenditures, which is more than the Baltic states can afford. In the opinion of specialists, they will have to turn to NATO member states for help.

The introduction of joint control over the air space of the Baltic states was discussed in Tallinn on March 13 at a meeting of the Latvian, Lithuanian and Estonian prime ministers with U.S. Vice President Albert Gore. They discussed as well the civilian and military purposes of having such a system. According to the Latvian prime minister, the U.S. expressed readiness to render assistance in working out and financing the research part of the project.

Russian Troop Commander on Tajik Cease-Fire Status

LD2703191995 Dushanbe Radio Tajikistan Network in Tajik 1100 GMT 27 Mar 95

[FBIS Translated Text] Colonel General Andrey Nikolayev, the commander in chief of the Federal Border Troops of Russia arrived in Dushanbe today. At Dushanbe airport, he was met by Prime Minister Jamshed Karimov of the Republic of Tajikistan, Vyacheslav Senkevich, the ambassador extraordinary and plenipotentiary of the Russian Federation in Tajikistan, Lieutenant General Anatoliy Chechulin, commander of the group of Russian Border Troops in Tajikistan and other officials.

In response to questions from domestic and foreign journalists, Andrey Nikolayev said the following, *inter alia*:

[Begin Nikolayev recording in Russian] You all know—the documents have mainly been published—that a number of issues concerning the regulation of Tajikistan's issue were resolved in Almaty [CIS summit]. They include tasks set for the military and non-military organizations, including the border guards. Preparations have been made for about a month aimed at producing a readiness to fulfil the tasks set by the heads of states; and Russia's readiness to carry out these tasks.

(?My) inspection here involves carrying out a full check on the group of troops, drawing conclusions from the inspection work, and, together with the republic's leadership, carrying out all the tasks which will need to [words indistinct] economic issues before our visit. But there are a number of fundamental ideas which can be shared, on the instructions of the president of Russia.

All in all, we are satisfied with the continuation of the cease-fire. However, unfortunately my decision to prolong the cease-fire is not being reinforced at the practical level here, directly on the border.

Our analysis shows that every six, seven, or eight hours on average there is either firing or an attempt to infiltrate the state border takes place. Moreover, the gangs—guerrilla groups—range between two or three people and 30-40, so that it is all being carried out under instructions.

If that side is prepared to ensure the security of citizens of the Republic of Tajikistan and citizens of the Islamic State of Afghanistan on either side of the border we are ready to do this. We have a relevant agreement with the Republic of Tajikistan within the framework of our implementation of our obligations as CIS countries.

You know that the inter-Tajik talks (?on a settlement) are between the Tajiks themselves. The presence of border troops... [pauses] Well, you know that Russia is attending these talks as an observer. It is taking part energetically in preparation of this kind of urgent negotiation together with other states. So in principle they cannot do without Russia there.

But we are not the subject of the inter-Tajik agreements. Our functional tasks derive from agreements on ensuring border security which were signed by Russian Federation and the Republic of Tajikistan. A corresponding accord has been signed in roughly the same area within the framework of the CIS countries.

So I think we welcome the inter-Tajik dialogue. [end recording]

ITAR-TASS Carries Press Review for 28 Mar

LD2803062795 Moscow ITAR-TASS in English 0618 GMT 28 Mar 95

[“Press Review”—ITAR-TASS headline]

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[FBIS Transcribed Text] Moscow March 28 ITAR-TASS—"Boris Yeltsin works also when vacationing", according to most newspapers today. ROSSIYSKIYE VESTI reports that the first part of the president's trip through Russian regions en route south for a vacation was devoted to changes in the Russian railway sector from the point of view of technical safety, passenger services and prospects for the railway system development and reconstruction.

Russian Economics Minister Yevgeny Yasin comments on the government's new programme in ROSSIYSKIYE VESTI and says that its underlying tenor is that of "cautious optimism and hope that it will be realized in more or less favorable circumstances".

ROSSIYSKAYA GAZETA comments on the presidential decree on fighting fascism and other forms of political extremism in Russia. The president's aide Mikhail Krasnov stresses that "the decree is mainly intended to stimulate the work of the law enforcement agencies which have for a long time been lax in their attitude to extremism. To make the matters worse, legislation was not directly aimed at suppressing extremism". Krasnov explains that the thing in question is not only fascism as one of its forms but also religious and social extremism".

IZVESTIYA gives front-page coverage of the case of the Aum Shinri Kyo [Shinrikyo] activity in Russia. Its correspondent Sergey Agafonov says Shinri Kyo was practically absolutely free in its activity in Russia where it had "secured recognition in the top echelons of power."

ROSSIYSKAYA GAZETA recounts the process of privatisation of Russia. First deputy chairman of Goskomimushchestvo (the state property managing committee) Aleksandr Ivanenko reports that "in 1991-92, denationalisation was carried out at 46.8 thousand enterprises. In 1993, the number of state-owned enterprises that were sold off to private owners totalled 41.7 thousand.

"Those were mainly retail shops, public catering and everyday service facilities, as well as small industrial and building companies. "1994 involved major industrial, transport and communications enterprises in the privatisation process. Although the number of enterprises privatised fell last year to 24 thousand but the amount of state property sold off in them was 2.6 times more greater than during the entire period from 1991- 1993", Ivanenko said IZVESTIYA covers the subject in a critical tone: "the privatisation plan has been fulfilled by less than one percent". The privatisation process is expected to provide a revenue of 9.1 trillion roubles (around 2 billion dollars) towards the federal budget, but "unless a clear-cut mechanism is devised to speed up the process of privatisation for money, the budget will be left without its projected revenue", the newspaper says.

Many national newspapers carry obituaries devoted to Russian writer and human rights activist Vladimir Maximov who died in Paris on Sunday, March 26. He was 64. "Maximov cannot be imagined as an outsider to Russia, Russian literature and the Russian people," PRAVDA says. The writer won international acclaim with his novel "Seven Days of Creation" published in 1971.

Booster Rocket Launches Three Spacecraft Into Orbit

LD2803105895 Moscow ITAR-TASS World Service in Russian 1031 GMT 28 Mar 95

[By stringer correspondent Viktor Gritsenko for ITAR-TASS]

[FBIS Translated Text] Moscow, 28 Mar—At exactly 1300 Moscow time today a Start extra-lightweight booster rocket was launched from the Plesetsk missile test range. Twelve minutes into the flight it launched into circular orbit three spacecraft—two Russian and one Israeli. The orbit height is 700 km, orbital inclination, 78 degrees.

Details of Israeli, Russian Satellite Launch

LD2803132995 Moscow ITAR-TASS in English 1405 GMT 28 Mar 95

[By ITAR-TASS stringer correspondent Viktor Gritsenko]

[FBIS Transcribed Text] Moscow March 28 TASS—The first Israeli "Gurvin-Techsat-1" sputnik was orbited by a Russian "Start" carrier-rocket today. Two Russian space apparatuses were orbited together with it. The launching was effected today exactly at 13.00 hours from the Plesetsk testing by the Russian strategic missile forces.

The "Start" rocket was developed on the basis of the inter-continental ballistic RS-12M "Topol" (SS-25) missile.

The purpose of the Israeli sputnik, weighing 55 kilograms, is to ensure inter-university amateur radio communication and to monitor the environment. It was designed by the students and instructors of the Israeli "Technion" space technology institute in Haifa. The sputnik will be controlled from the ground satellite communication station in that city.

The experimental scientific block, weighing twelve kilograms, was the first Russian sputnik launched today. It was designed by the Moscow University State Astronomy Institute jointly with the "Progress" scientific-production enterprise, affiliated to the "Energia" missile-space concern. The block is fitted out not only with Russian equipment, but also, for the first time, with some Mexican-made apparatuses. They are intended for studying the meteorite danger in keeping with the joint "Rumex" programme. The sputnik will be controlled from the information and direction station of Moscow University. Although this is a Russian space vehicle, the Mexican side preferred to give it its own name—"Unamsat".

The third "place" in the "Start" rocket was initially reserved for the "Greensat" distant earth-sounding sputnik of the Republic of South Africa. However, its development was stopped, because South Africa lacked the necessary means to finance the project. Therefore, the Russian experimental space apparatus, weighing 202 kilograms, was orbited instead of it. This full-size model of a

new Russian midget telecommunication sputnik resembles a 130-centimeters-long "barrel" with a diameter of one metre.

Experts refuse to disclose the cost of launching a foreign-made sputnik and instrumentation by means of a Russian rocket, saying that it is a commercial secret.

No Contact Possible With Israeli, Russian Satellites

LD2803151395 Moscow ITAR-TASS World Service in Russian 1423 GMT 28 Mar 95

[FBIS Translated Excerpt] Moscow, 28 Mar (ITAR-TASS)—Experts have failed to establish contact with the three satellites - two of them Russian and the third one Israeli - which were launched today. As reliable sources told ITAR-TASS, the satellites do not show any sign of life either at the tracking station on the ground in Haifa, Israel, or at the information and control point in Moscow, where monitoring was to be carried out.

At present a group of experts are trying to find out the causes of the incident. Some specialists believe that the satellites have failed to reach their destination. In that case it is possible that Russia would have to pay compensation to its foreign partners. [passage omitted]

Kozyrev Calls START-2 Ratification 'Most Urgent Task'

LD2803135795 Moscow ITAR-TASS in English 1342 GMT 28 Mar 95

[By ITAR-TASS diplomatic correspondent Andrey Urban]

[FBIS Transcribed Text] Moscow March 28 TASS—The ratification of the START-2 Treaty is the most urgent task these days, Russian Foreign Minister Andrey Kozyrev said on Tuesday before leaving for the Middle East.

"We are trying to coordinate our activities with the U.S. Administration to pave the way for the ratification of START-2," Kozyrev stressed, noting that neither the U.S. nor Russia has ratified it.

"It is also essential that no attempts be made to evade the ABM [Antiballistic Missile] Treaty, since both treaties are closely connected with each other," Kozyrev said.

Russia is seeking to work out an agreement with the U.S. guaranteeing that neither side would try to evade the treaty.

The solution of these important problems will offer an opportunity to start practical discussions of the START-3 Treaty, Kozyrev said.

It is most probably that the question of the START-3 will be touched upon at the Russian-U.S. Moscow summit during the celebrations of the 50th anniversary of victory in the great patriotic war, the minister concluded.

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Says NATO's Hasty Expansion Threatens Reforms in Russia*LD2803140295 Moscow ITAR-TASS in English 1448 GMT 28 Mar 95*

[By ITAR-TASS diplomatic correspondent Andrey Urban]

[FBIS Transcribed Text] Moscow March 28 TASS—NATO's hasty expansion to the east may hamper the process of reforms and the electoral campaign in Russia, Foreign Minister Andrey Kozyrev said on Tuesday.

Speaking to reporters before his departure for a Middle East tour, the minister stressed that the adoption of the governmental economic programme was a major element of reforms and the future electoral campaign in Russia.

"Because of that we would like our Western partners not to thwart our efforts by replenishing NATO with Eastern European states. Expansion of NATO to the east can strengthen the position of extremist forces in Russia," Kozyrev noted.

"It would be better if our Western partners coordinated their activities and did not foil efforts of Russia's leaders, rather than declared kindly feelings for Russian reforms," the minister stressed.

Seeks Extension of Non-Proliferation Treaty*LD2803154795 Moscow ITAR-TASS in English 1543 GMT 28 Mar 95*

[By ITAR-TASS diplomatic correspondent Andrey Urban]

[FBIS Transcribed Text] Moscow March 28 TASS—The indefinite and unconditional extension of the Nuclear Non-proliferation Treaty [NPT] is one of Russia's chief foreign policy aims. Before flying to Cairo on Tuesday, Russian Foreign Minister Andrey Kozyrev told reporters that this topic will also be on the agenda of his conversations with leaders of a number of Arab states.

"Russia is striving to untie a complicated knot of problems connected with the preparation and holding of a conference of parties to the Nuclear Non-proliferation Treaty", the minister said. He said it is now essential to ensure that Middle East countries do not create problems regarding the treaty's prolongation at the conference but, quite the contrary, join in its work on a balanced basis.

Another important problem on which the Russian foreign minister will conduct negotiations during the visit is overcoming the tension in the Middle East. "The Middle East settlement comes up against great difficulties", Kozyrev said and noted that this is the reason for his Middle East tour. It is not accidental that the visit will begin in Egypt, a traditional partner of Russia, Kozyrev said. He believes Egypt plays the key role in promoting the quest of peace settlement of regional problems.

"We are in touch with American 'co-sponsors' of the Middle East settlement", Kozyrev said. "It is apparent now that the efforts of one sponsor are not enough to step

up the negotiating process". He noted that in Geneva U.S. Secretary of State Warren Christopher fully agreed to merge efforts with Russia to speed up the solution of the Middle East problems.

Kozyrev Starts Middle East Tour in Egypt*LD2803083195 Moscow ITAR-TASS in English 0739 GMT 28 Mar 95*

[By ITAR-TASS correspondent Aleksandr Yelistratov]

[FBIS Transcribed Text] Cairo March 28 TASS—Minister of Foreign Affairs of the Russian Federation Andrey Kozyrev today opens his Middle East tour with a visit to Egypt. He will then travel to Syria, Lebanon, Israel and the Gaza Strip.

According to official sources, the Russian minister will be received in Cairo by President of the Arab Republic of Egypt Hosni Mubarak and hold talks with the head of the Egyptian Foreign Office 'Amr Musa. He is also scheduled to meet Secretary-General of the Arab League Ismat Abdel Maguid.

Russian diplomatic sources told ITAR-TASS that the Russian minister would focus on measures to step up the Middle East peace process, particularly along two of its main directions—Palestine-Israel and Syria-Israel.

Taking into consideration the actual influence exercised by the Arab Republic of Egypt as a country which has had a peace treaty with Israel for many years and which considerably enhanced its mediating role in the negotiating process in recent months, Moscow attaches priority significance to Andrey Kozyrev's visit to Cairo from the viewpoint of coordinating its policy in the region with the policy of a state which exercises a great influence on other Arab state-participants in the peace process.

Andrey Kozyrev also intends to discuss bilateral cooperation between Russia and Egypt during his visit to Cairo, the sources said.

According to the same sources, in Damascus, Beirut, and Tel Aviv, the Russian foreign minister will concentrate mainly on the resumption on a permanent basis of the Syrian-Israeli negotiations which restarted in Washington last week. Moscow and Damascus have traditionally maintained close relations and Moscow regards this as a basis for the possible success of Russian diplomacy in getting Syrian-Israeli peace talks back on track.

It should be noted that the Russian foreign minister's tour of a number of Middle East countries which begins today has evoked optimism in the mass media, probably for the first time in a few years.

According to a number of Egyptian newspapers, Moscow for the first time since the break-up of the former Soviet Union is seriously thinking not only about the Western direction of its foreign policy but also about its Eastern direction.

Andrey Kozyrev's visits to Egypt, Syria, Lebanon, Israel and Gaza are seen as "a radical and serious attempt at bringing Russian diplomacy back to the Middle East".

Political Issues

Reportage, Commentary on Yeltsin Vacation Trip

Yeltsin Urges Anti-Crime Legislation Be Adopted

LD2703152695 Moscow ITAR-TASS in English 1504
GMT 27 Mar 95

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Transcribed Excerpt] Ryazan March 27 TASS—"First of all it is necessary to adopt a package of laws connected with fighting crime," Russian President Boris Yeltsin said in Ryazan where he arrived on Monday en route to the south for a two-week vacation.

Yeltsin said that before his departure from Moscow, he had had a meeting with Russian Prime Minister Viktor Chernomyrdin and the chairmen of both houses of the parliament—Ivan Rybkin of the State Duma and Vladimir Shumeyko of the Federation Council—to "determine which laws should be adopted on a priority basis."

The adoption of anti-crime laws "will enable administrative bodies and police to act more decisively," he said. [passage omitted]

Yeltsin on Strong Ruble, Healthcare, Crime

LD2703162395 Moscow ITAR-TASS in English 1601
GMT 27 Mar 95

[By ITAR-TASS special correspondent Andrey Shtorkh]

[FBIS Transcribed Text] Ryazan March 27 TASS—"The most urgent task facing the Government of Russia is to strengthen the rouble," Russian President Boris Yeltsin told journalists in Ryazan where he made a stop-over on Monday en route to the south for a two-week vacation.

The president said that "in March, we should not go beyond a 7 percent, or 7.5 percent maximum, inflation rate." This will enable the government to implement its programme and bring inflation down to 1-2 percent, he added.

"When prices stop rising and wages and salaries begin to grow, the rouble will be stabilised and all other indicators will improve," Yeltsin said.

The government should focus on boosting industrial production, the president said. In his view, "there has been some progress and there has been growth in a number of industries." To exemplify his point, he said that in the Ryazan region "industrial production increased by 1.9 percent on the whole." This is an "encouraging symptom indicating that we may achieve economic stabilisation this year," he said.

Speaking about the political situation in Russia, Yeltsin noted that on the whole it is "more or less calm and allows us to work normally."

On child healthcare, the president said that this is one of the most acute problems facing Russia, for it is the health of children that determines the future of any country.

He said that the government has worked out a "strong programme, 'healthcare and children,' the implementation of which is being monitored in all spheres."

Yeltsin said he had visited one of the polyclinics in the Ryazan region and met with local health officials. They "are working on the problem of children's healthcare very hard," he added.

The president pointed out that birth rate in the Ryazan region has begun to grow. "This is an interesting example for Russia because there has been no increase in birth rate in the country as a whole," he said.

The president also urged the parliament to adopt anti-crime laws on a top-priority basis.

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Yeltsin said that before his departure from Moscow, he had had a meeting with Russian Prime Minister Viktor Chernomyrdin and the chairmen of both houses of the parliament—Ivan Rybkin of the State Duma and Vladimir Shumeyko of the Federation Council—to "determine which laws should be adopted on a priority basis."

The adoption of anti-crime laws "will enable administrative bodies and police to act more decisively," he said.

Earlier today, Yeltsin made a brief stop-over at Rybnoye, a major railway junction not far from Ryazan to "see what has changed in the railway transportation over the past years from the point of view of technical state, safety, the level of passenger services, and prospects for its development and reconstruction".

Speaking at the local locomotive depot, the 64-year-old Russian leader said that he did not link his trip with an election campaign, adding that he has not announced his decision as to whether or not he will run for presidency in 1996 yet.

From Ryazan Yeltsin will go to Kislovodsk, Stavropol region, and then to Kabardino-Balkaria, where he will have a meeting with the local authorities to discuss the situation in the North Caucasus.

The president said this will take seven days, while the remaining time he will spend in the Black Sea resort city of Sochi.

In a recent conversation with journalists, the president recalled that he always divided his annual vacation in two parts—two weeks in early spring and two weeks in early autumn.

The president added that his vacation this time would be a "working" one, and he would try to make full use of it for

work, including meetings and talks with local leaders and inhabitants of the regions via which his train would travel.

The president's first aide Viktor Ilyushin told ITAR-TASS on Friday that a question about holding a meeting in one of the Caucasian republics (Karachayevo-Cherkess or Kabardino-Balkaria) to discuss the entire range of Caucasian problems was still undecided.

Changes Schedule, Flies to Mineralnye Vody

LD2703165995 Moscow ITAR-TASS in English 1653 GMT 27 Mar 95

[By ITAR-TASS correspondent Nikolay Styazhkin]

[FBIS Transcribed Text] Mineralnye Vody March 27 TASS—Russian President Boris Yeltsin arrived in the town of Mineralnye Vody, North Caucasus, at 19.45 Moscow time on Monday.

Contrary to the announced schedule of his trip, the Russian president used a plane to get there from the central Russian town of Ryazan.

Earlier it was announced that Yeltsin would travel to the Russian south by train.

Arrives at Kislovodsk in Stavropol Kray

LD2703173995 Moscow ITAR-TASS World Service in Russian 1657 GMT 27 Mar 95

[FBIS Translated Text] Moscow, 27 Mar—"President Boris Yeltsin, whose plane landed this evening at the airport of Mineralnye Vody, has left for a country residence in the vicinity of the town," a duty officer of the Federal Counterintelligence Service in Mineralnye Vody reported to an ITAR-TASS correspondent over the phone. He did not answer the question about how long the Russian president plans to stay in Mineralnye Vody.

[Moscow ITAR-TASS World Service in Russian at 1712 GMT on 27 March reports: "At 2030 today, Russian President Boris Yeltsin arrived in Kislovodsk (Stavropol Kray). This resort town is situated some 40 km from Mineralnye Vody, and the head of state arrived here by car. Yeltsin is expected to stay in Kislovodsk for a short rest."]

More on Remarks to Media at Start of Trip

MM2703190995 Moscow ROSSIYSKIYE VESTI in Russian 28 Mar 95 p 1

[Unattributed report: "Boris Yeltsin Working Even on Vacation"]

[FBIS Translated Text] Russian President Boris Yeltsin set off yesterday morning on a vacation which, he stressed in conversation with journalists, should be seen mainly as a business trip.

"The coming business trip can be broken down into three components," the president said, talking about the details

of the trip. According to him, it will provide an opportunity for more detailed familiarization with the work of Russian railroads, a visit to Kabardino-Balkaria to meet with local leaders and to familiarize himself personally with the situation in the region, and an opportunity for some leisure.

Describing the first part of the trip (the head of state will make his first stop at Rybnoye, a major rail junction near Ryazan), the president noted that he "wants to see what has changed in rail transport over the past few years from the standpoint of the technical situation, safety, the level of passenger services, and the prospects for railroad development and modernization." The president reported that to this end there will be several stops on the journey, which will allow him to get a handle on things in other areas of rail transportation as well. He will thus be continuing the familiarization with the problems of Russian railroads that he began yesterday morning in the capital, where the president acquainted himself with the progress in modernizing Kazan Station. Boris Yeltsin also saw a demonstration of a new electric train which was entirely assembled at the Demikhovskiy Plant near Moscow. Formerly Russia had bought such trains only from the Baltic.

According to Boris Yeltsin, it is also planned to visit Kabardino-Balkaria. He called this trip "planned," noting that he has hitherto not visited the area as president. There he plans to assemble local leaders and discuss with them the prospects for developing the situation in the region, including the Chechen Republic. Presidential Press Secretary Sergey Medvedev noted that we are talking not of a regional conference, but of a preliminary meeting.

The rest of the trip, according to the president, will be devoted to relaxation.

"I was satisfied with Russian Prime Minister Viktor Chernomyrdin's report at the recent enlarged government session," Boris Yeltsin said.

"The most complex questions at the forthcoming Russo-U.S. talks in Moscow during the visit of President Bill Clinton to attend the festivities marking the 50th anniversary of victory could be the problem of the sale of Russian nuclear reactors to Iran and the situation in Chechnya," Boris Yeltsin stated.

"We have very many problems which need to be resolved in the very near future," he stressed, responding to a question about the state of relations between Russia and the United States.

According to the Russian president, the heads of state of 55 countries have been invited to the Moscow festivities marking the 50th anniversary of victory, and he plans to meet with as many of them as possible.

Text of Yeltsin Edict on Combating Extremism

MM2703091295 Moscow ROSSIYSKAYA GAZETA in Russian 25 Mar 95 First Edition p 4

[Russian Federation Presidential Edict No. 310 "On Measures To Ensure Coordinated Actions by Organs of State

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Power in the Fight Against Manifestations of Fascism and Other Forms of Political Extremism in the Russian Federation," signed by Russian Federation President B. Yeltsin and dated 23 March 1995]

[FBIS Translated Text] The fueling of social, racial, ethnic, and religious enmity and the dissemination of fascist ideas have become more frequent occurrences in the Russian Federation. The anticonstitutional activity of extremist individuals and associations is becoming increasingly widespread and audacious: Illegal armed and paramilitary formations are being set up; and the threat of the latter merging with certain trade union, commercial, financial, and also criminal structures is growing.

These extremely dangerous phenomena in the life of our society pose a threat to the foundations of the constitutional system, result in the flouting of human and civil constitutional rights and freedoms, and undermine the social security and state integrity of the Russian Federation.

The increase in political extremism cannot be permitted to disrupt the coming elections to organs of state power and organs of local self-government, hamper the free expression of the voters' will, affect the resolution of labor conflicts, and put pressure on various state and municipal organs.

The activity of political extremists, many of whom overtly state their ideological kinship with national-socialism and use fascist or similar slogans, emblems and symbols, is profoundly offensive to the memory of the victims of the Great Patriotic War preserved by Russian citizens and to veterans' feelings. During the 50th anniversary year of the victory over Hitler's Germany such actions are particularly provocative.

Organs of state power and organs of local self-government are not responding in practical terms to these processes, which threaten the constitutional system. The norms which constitute the legal basis for a real fight against this phenomenon, primarily the provisions of Article 13 of the Russian Federation Constitution on banning the creation and activity of associations whose aims or actions are anticonstitutional, are virtually not being enforced.

The work of organs of the Russian Federation Prosecutor's Office, the Russian Federation Ministry of Internal Affairs [MVD], and the Russian Federation Federal Counterintelligence Service [FCS], whose tasks include the suppression of illegal, anticonstitutional activity and countering extremist, nationalist, and chauvinist manifestations, as well as organs of the Russian Federation Ministry of Justice and the Russian Federation Committee for the Press, is extremely unsatisfactory and uncoordinated.

Being a guarantor of the Russian Federation Constitution and human and civil rights and freedoms, with a view to ensuring the stability of the constitutional system and social security, and preserving the state integrity of the Russian Federation, and on the basis of Articles 13, 15, 80,

and 82 of the Russian Federation Constitution and Article 22 of the International Pact on Civil and Political Rights I decree that:

1. The acting Russian Federation general prosecutor shall:

step up oversight by the prosecutor's office of compliance by all enterprises, establishments, organizations, and public associations in the Russian Federation of the norms laid down by the Russian Federation Constitution on the equality of citizens irrespective of social, racial, ethnic, linguistic, or religious affiliation, on safeguarding the dignity of the individual, on banning the creation and activity of associations whose aims and actions are designed to forcibly change the foundations of the constitutional system, violate the integrity of the state, undermine its security, create armed formations, and kindle social, racial, ethnic, and religious enmity;

rigorously supervise full and comprehensive investigations into the corresponding criminal cases, detect and institute proceedings against all accessories to crimes (including people funding and circulating extremist publications);

actively cooperate in the fight against political extremism with the human rights commissioner, the Court of Appeal for Information Disputes Under the Russian Federation President, interested public associations, and also the mass media;

submit no later than 1 August 1995 a report on the steps taken by Russian Federation Prosecutor's Office organs to implement the present Edict.

2. The Russian Federation MVD, the Russian Federation FCS, the Russian Federation State Customs Committee, and the Russian Federation Federal Border Service [FBS] shall use the organs under their jurisdiction within the bounds of their competence:

to arrest and institute proceedings as laid down by current legislation against people disseminating printed matter, film, photographic, audio, and video material destined to propagandize fascism, incite social, racial, ethnic, or religious enmity;

to take steps to confiscate this kind of printed matter and material.

3. Organs of executive power of Russian Federation components and organs of local self-government, when considering applications to hold meetings, rallies, demonstrations, processions, and pickets, shall not allow public associations or their organizers to implement such measures should internal affairs organs have recorded violations of the Russian Federation Constitution and laws and civil rights and freedoms during their previous public actions, should there have been calls to forcibly change the constitutional system and fuel social, racial, ethnic, and religious enmity, and should the ideas of violence and war have been propagandized.

4. The Russian Federation Government shall:

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coordinate the work of the Russian Federation MVD, the Russian Federation FCS, the Russian Federation FBS, the Russian Federation Ministry of Justice, and the Russian Federation Committee for the Press, and other interested federal organs of executive power aimed at galvanizing the fight against fascism and political extremism;

where necessary hear reports at sessions of the Russian Federation Government and its Presidium by leaders of the relevant federal organs of executive power on the state of and measures to step up the fight against manifestations of fascism and other forms of political extremism.

5. The Russian Academy of Sciences shall be asked within two weeks to submit to the Russian Federation Presidential State-Legal Directorate a scientific explanation for the concept of "fascism" and associated concepts and terms in order to prepare proposals regarding amendments and addenda to existing legislation.

6. The Russian Federation Supreme Court shall be advised:

to generalize the judicial practice of enforcing the legal norms which lay down the responsibility of citizens, public associations, and the mass media for violations of the equality of human and civil rights and freedoms guaranteed by the Russian Federation Constitution;

to provide explanations as to the concepts and terms in current legislation pertaining to responsibility for actions designed to incite social, racial, ethnic, and religious enmity.

7. The Russian Federation Presidential State-Legal Directorate, in conjunction with the Russian MVD and the Russian Federation Ministry of Justice, shall by 1 May 1995 prepare and submit to the Russian Federation president draft laws on amendments and addenda designed to establish responsibility for manifestations of fascism and other forms of political extremism to Russian Federation criminal legislation and the legislation of the Russian Federation on administrative offenses, on the mass media, and on public associations for their inclusion in accordance with prescribed procedure as an urgent Russian Federation presidential legislative initiative.

8. The present Edict enters into force from the day it is published.

[Signed] Russian Federation President B. Yeltsin
[Dated] The Kremlin, Moscow, 23 March 1995

Regional Affairs

Army Official: Federal Troops Encircle Gudermes
LD2703140595 Moscow INTERFAX in English 1213
GMT 27 Mar 95

[FBIS Transcribed Text] MOZDOK (North Ossetia), Mar 27 (Interfax)—Federal troops are about to encircle the

rebel-held town of Gudermes (45 kilometers east of the Chechen capital Grozny), a senior Russian army official told Interfax in Mozdok.

He said Russian forces have practically blocked it in the north and south.

"The armed forces will not storm Gudermes. Instead, the town will be encircled in the same way as Argun was and the militants will be forced out of its bounds," he said.

The official said the Russian military command was seeking peaceful ways of dislodging the rebels in order to avert civilian casualties.

He said the federal troops have so far refrained from any active operations against other rebel stronghold of Shali (35 kilometers south of Grozny). "The main priority now is to release Gudermes with the fate of Shali to be decided next," the official said.

In his words, the Russian forces deployed close to Shali were set the task of blocking the rebel group retreating from Argun. "It is necessary to foil any attempt at moving rebel units and ammunition from Shali to Gudermes," he said.

The army official said the rebels would be dislodged from all large places in April.

Federal Troops, Chechens Continue Clashes Near Argun

LD2703141295 Moscow INTERFAX in English 1213
GMT 27 Mar 95

[FBIS Transcribed Text] Shali (Chechnya), Mar 27 (INTERFAX)—Clashes continued on Monday [27 March] between Chechen formations and the federal troops near the village of Meskert-Yurt, a few kilometers south of the city of Argun which was abandoned by the Dudayev supporters on March 23, a spokesman for the Chechen forces' General Staff told Interfax.

He said that the village of Germenchuk 10 kilometers south of Argun had been "surrendered" to the federal troops.

The Chechen General Staff reports that the Chechen forces shot down 2 Russian helicopters and one Su-25 assault plane at the weekend.

The Russian military sources have denied these reports.

Chechen Villages Declare Guerilla War

LD2703141395 Moscow INTERFAX in English 1213
GMT 27 Mar 95

[FBIS Transcribed Text] SHALI (CHECHNYA), Mar 27 (Interfax)—Representatives of some Chechen villages declared on Sunday [26 March], at their assembly in the town of Shali, "a guerilla war on the territory occupied by Russian troops". The statement was made for Interfax by a spokesman for the Chechen Armed Forces headquarters.

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At the same time, the spokesman refused to answer the question on whether the headquarters would coordinate the actions of guerilla groups. Chechen leader Dzhokhar Dudayev addressed the assembly, claims the spokesman, who asked not to name him.

"The party of war in Russia, which relies on power structures, the oil and gas and defense complexes, does not want peace on the Chechen soil," he said. Dudayev said that it will be impossible to break the people of Chechnya, which will continue resistance "at all settlements on free territories", as well as in the regions, which are under control of federal troops.

Shali, as well as Gudermes, remain the last large Chechen settlements, which are under control of Dudayev formations after federal troops seized Grozny and Argun.

Chechen Press Center Says Civilian Targets Bombed

LD2703162895 Moscow INTERFAX in English 1525 GMT 27 Mar 95

[FBIS Transcribed Text] SHALI (Chechnya)—MOZDOK (North Ossetia), Mar 27 (Interfax)—More than 50 people were killed and over 40 wounded in Chechnya Monday in a bomb attack on civilian targets by the Russian aviation, the press center of the Chechen Defense Committee informed Interfax.

The same source said that at 10:00, March 27, the Russian aviation dropped bombs on the refugee camps between the villages of Serzhen-Yurt and Avturiy 40 kilometers south-east of Grozny. From 2,500 to 3,500 refugees are concentrated in these camps, said the source. More than 20 people, among them 13 children, were killed and over 40 people wounded.

The Chechen sources also report that the Russian aviation dropped bombs on smaller civilian targets as well, as a result of which 37 people were killed and 24 wounded.

During one of the bomb attacks, made on the marketplace near the village of Elistanzhi 50 kilometers south of Grozny, 10 people were killed. Russian aircraft also destroyed seven cars on Chechen roads on Monday.

The General Staff of the Chechen armed forces report that in the morning of March 27 the federal troops continued to shell the populated areas of Shali, Gudermes, Germenchuk, Alakhan-Kala, Samashki and Bamut.

Meanwhile, a spokesman for the Russian air force's General Staff in Mozdok denied the Chechen sources' reports about bomb attacks on refugee camps and civilian targets.

He told Interfax Monday that the federal aviation was bombing "only military facilities of the illegal armed groupings" located outside populated areas.

He said that "flying weather ensured efficient utilization of the aviation and helped avoid loss of life among civilians."

Air Force Denies Bombing Chechen Refugee Camps

LD2703213395 Moscow 2x2 Television in Russian 2022 GMT 27 Mar 95

[FBIS Translated Text] A spokesman of the main headquarters of the Russian Air Force in Mozdok has denied Chechen reports that Russian aviation today subjected camps with Chechen refugees to a missile and bomb attack. Earlier, the press center of the Chechen defense committee told INTERFAX that over 50 people had been killed in the attack and about 40 wounded.

Chechen Government Chairman on Situation in Grozny

MS2803093095 London THE INDEPENDENT in English 28 Mar 95 p 10

[Report on interview with Salambek Khadzhiev, front-man in Russia's 'puppet' government in Chechnya; date and place not given]

[FBIS Transcribed Text] When Salambek Khadzhiev, front-man for Russia's puppet government in Chechnya, has important business to discuss, he leaves his office, wanders past coils of razor wire and swaggering soldiers in black bandannas, gets into an armoured personnel carrier and zooms off through the rubble.

Only when the Russian military has deposited him at a communications centre set up amid the heavily guarded ruins of Grozny airport can the man who is supposed to be running Chechnya reach those who really make decisions. He picks up a vertushka telephone, the secure government line that forms the umbilical cord of power across Russia, and calls Moscow or Russia's military headquarters at Mozdok.

In a land where the official car—whether a long black ZIL limousine or the more modest Volga saloon—has always been an accurate gauge of every official's prerogatives, Mr Khadzhiev's dependence on an armoured troop carrier leaves little doubt about the source and scope of his own authority.

Mr Khadzhiev, a 54-year-old petroleum engineer, is chairman of a so-called government of national revival, a body which was set up by the Kremlin to replace the secessionist regime of Dzhokhar Dudayev and add a civilian facade to what, for the time being at least, remains brutal military rule.

He has few illusions about the nature and limits of his power: "It is legitimate to the degree that any government of this type is legitimate," he said in an interview, the curtains of his office tightly drawn against the sun and snipers: "It is more legitimate than Dudayev's but in the classical understanding of the word it is not legitimate either."

With Mr Dudayev's former seat of government, the presidential palace in Freedom Square, reduced to a mangled

heap, Mr Khadzhiyev has set up shop in his own old office at the Petroleum Research Institute, one of a handful of buildings in Groznyy unscathed by the fighting. It is also one of the few premises that has electricity, thanks to noisy generator in the courtyard.

"Promising us a good life and freedom, Mr Dudayev gas us a destroyed city, years of unpaid salaries, old people without pensions and death for our children," he said.

Unlike most of the Chechen opponents of Mr Dudayev backed by Moscow in the past, however, the soft-spoken Mr Khadzhiyev does not come across as a gangster. He does not wave a gun, and shuns both long black leather coats and camouflage fatigues. He has a kind, handsome face and, wearing a grey turtle-neck sweater and reading glasses, seems more a thoughtful professor.

It is hard not to feel a bit sorry for him. He is pilloried as a traitor by Mr Dudayev, viewed as a collaborator by many ordinary Chechens and surrounded by ruthless potential rivals from the anti-Dudayev opposition.

He denies any fear of assassination—the customary means of resolving differences in what, even before the Russian army moved in, was already a cauldron of clan feuds and political violence: "Anyone who was here in January is afraid of nothing. He has already seen too much. By now we are all accustomed to horror."

All the same, he judged it wise to leave his wife and three children in Moscow, where he served as the last Soviet Minister of Oil Processing in 1991. "What does my wife think of all this? She thinks I should give it all up and get home quickly. Well, not home—my home is here—but to Moscow."

Just as Mr Dudayev moves about constantly so as to keep one step ahead of any would-be assassin sent by Russia, Mr Khadzhiyev avoids sleeping in the same place to avoid any killer sent by Mr Dudayev: "I live in different places, sometimes in the city, sometimes in this building, sometimes in villages."

He first popped up as Chechnya's future ruler in December when President Boris Yeltsin, in the first in a series of premature declarations of victory, announced that the military stage of the Chechen campaign was over. His elevation is thought to have been engineered by the Prime Minister, Viktor Chernomyrdin, a fellow energy-industry apparatchik, and has partially eclipsed Moscow's previous Chechen favourite, the deeply unsavoury Umar Avturkhanov, who heads a self-styled Provisional Council.

On paper, Mr Khadzhiyev has all the trappings of a government: a cabinet, a budget (though no income other than hand-outs from Moscow), the embryo of a local police force and even a flag—similar to the rebel standard used by Mr Dudayev, only purged of the sitting wolf, an emblem unacceptable to Moscow because of its associations with Chechen independence.

But the Russian forces, whose automatic weapons put Mr Khadzhiyev in office, make no attempt to disguise the fact that they alone have real power. They have divided Groznyy into seven military kommandaturas, set up countless checkpoints manned by cocky youths in sunglasses slumped in looted armchairs—declared a curfew and terrorised the city by shooting at anything that moves after dark. "You know how the military works," said Mr Khadzhiyev. "It has its own rules and logic."

Because of this, he recommends surrender as the only way to halt Russia's military juggernaut: "If a village keeps fighting, if they shoot from there with automatic weapons, artillery and mortars, then my government is powerless to help them."

But he insists ultimate blame must lie with Mr Dudayev, a former Soviet bomber-pilot: "He knew exactly what would happen. He is a military man. I'm just a civilian."

Only by holding new elections, he says, can Chechnya move towards a more stable regime: "The earlier they are held the better. Theoretically, they might be possible in five or six months." But with fighting still raging across much of Chechnya and Groznyy itself an armed camp plagued at night by bursts of gunfire, he admits it could take much longer.

Mr Khadzhiyev spends much of his time begging Moscow for money. He has secured the cash needed to pay teachers and doctors but not enough to continue beyond 1 April a programme of free bread for the city's dazed and hungry population. Appeals to Russian businessmen have yielded nothing: "Many spoke on television about helping us but so far we have not got a single kopeck."

Russia has promised nearly a billion dollars to rebuild what now looks like Stalingrad. But there is little evidence of it. The only example so far of any "reconstruction" is yet more destruction.

Completing a process started by Russian shells, Russian bulldozers have just demolished the last remnants of the Hotel Chaika. This modest task alone took 20 days.

Chechen National Accord Committee Set Up

MM2803085495 Moscow ROSSIYSKAYA GAZETA in Russian 28 Mar 95 First Edition pp 1, 2

[Unattributed report, followed by list of members of the Chechen Republic Committee of National Accord under the general heading "If There Are Authorities, There Will Be Peace. Chechen Republic Committee of National Accord Created"—from the ROSSIYSKAYA GAZETA Chechnya Special Publication]

[FBIS Translated Text] The first session of the Chechen Republic Interim Council has been held.

The session was addressed by U. Avturkhanov, chairman of the Chechen Republic Interim Council. He said that organs of local self-government, law enforcement agencies, and the Government of National Revival formed by the

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Chechen Republic Interim Council are already operating on a significant part of the territory of the Chechen Republic. Measures are being taken to restore sectors of the national economy, and the population's supply of essential foodstuffs is being organized.

In view of the situation prevailing in the republic, it is necessary today to expand the composition of the Interim Council, change its title, and include in its composition members of the last Supreme Soviet Presidium of the former Chechen-Ingush Autonomous Soviet Socialist Republic [ASSR] and the most authoritative and influential leaders of the Chechen Republic today.

This proposal was supported by S. Khadzhiyev, prime minister of the Government of National Revival. He proposed that former members of the Chechen-Ingush ASSR Supreme Soviet Presidium and prominent Chechen figures be included in the Committee of National Accord on the basis of the Chechen Republic Interim Council. He was supported by M. Dzhambalkhanov, member of the Interim Council.

Yu. Gantemirov, L. Baskhanov, and some other members of the Interim Council disagreed with them. In particular, Yusup Elmurzaev said that the Committee of National Accord should not be formed hastily before consultation with prominent figures from other regions. Beslan Gantemirov proposed that the Interim Council renounce power and disband itself.

Nevertheless, the Interim Council's proposal on the creation of the Committee of National Accord was put to the vote. Eighteen Council members voted for the adoption of the proposed decree plus amendments and additions. In an open vote Lechi Magomadov and Gersolt Elmurzaev were unanimously elected deputy chairmen of the Committee of National Accord.

The numerical strength of the Committee of National Accord has been set at 45 members.

List of Members of the Committee of National Accord of the Chechen Republic

1. Umar Dzhunitovich Avturkhanov—Committee chairman.
 2. Lechi Magomedov—deputy chairman.
 3. Lechi Musayev—deputy chairman.
 4. Gersolt Kh. Elmurzaev—deputy chairman.
- Committee members
5. Isa Aliroyev
 6. A. Abubakarov
 7. Almurzaev [no initial as published]
 8. B.M. Baskhanov
 9. I. Bisultanov
 10. B. Bisultanov
 11. A.-Kh. Bersanov
 12. Shamil Beno
 13. D. Gakayev
 14. Ye.B. Grigoryev
 15. A. Duruyev
 16. Vakha Datsayev

17. Imran Dokhshukayev
18. B.S. Dzhambalkhanov
19. V. Dakayev
20. Kh. Dzhunaidov
21. T. Didigov
22. D.G. Zavgayev
23. Sh. Lorsanov
24. K.I. Musayev
25. Vakhid Mezhidov
26. V. Maigolov
27. S. Mokhchayev
28. G.K. Parkhomenko
29. Petrenko [no initial as published]
30. S.-P.-Kh. [hyphens as published] Salikhov
31. A.D. Storozhenko
32. L. Tashtamirov
33. S. Umarolov
34. L.M. Umkhayev
35. Yunadi Usamov
36. G.K. Khaperskov
37. S.N. Khadzhiyev
38. T. Khamidov
39. A.V. Khakimov
40. Yu. Elmurzaev.

Heavy Fighting Outside Shali Reported

AU2803071095 Paris AFP in English 0610 GMT 28 Mar 95

[By Sebastian Smith]

[FBIS Transcribed Text] Serzhen Yurt, Russia, March 28 (AFP)—Russian helicopters and tanks blasted the outskirts of the Chechen separatist stronghold of Shali on Tuesday [28 March] after a night of continuous artillery exchanges.

Three helicopters could be seen circling north of Shali, rocketing and machinegunning the outskirts of the town and the nearby villages of Germenchuk and Avtury.

Barrages of Russian tank shells exploded every few minutes among buildings on the edge of Shali and along the road linking Shali to Avturi.

Chechen return fire at the helicopters could be seen coming out of Shali.

Lengthy exchanges of machinegun fire between ground positions could also be heard.

Chechen forces also fired at Russian positions with rockets and artillery from hills near the village of Serzhen Yurt, which lies on the main road from Shali into the Caucasus mountains.

A pair of Russian warplanes made two passes without bombing.

The fighting followed a night of almost unbroken artillery duels around Shali, which the separatists have declared the focus of their resistance.

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On Monday, Russian jets made a coordinated and massive attack on at least four refugee camps in Serzhen Yurt and further south. The bombing raids killed at least nine refugees and wounded 23.

There were no signs of Chechen military activity at any of the camps, where more than 1,600 refugees were sheltering from the war.

Tens of thousands of Russian troops poured into Chechnya on December 11 to crush President Dzhokhar Dudayev's unilateral declaration of independence from the Russian Federation.

The Russian defense minister expected a quick victory, but despite an overwhelming advantage in terms of weapons, his men have met fierce resistance at every village and town.

No 'Major Positional' Changes Yet in Grozny

LD2803105495 Moscow INTERFAX in English 0911 GMT 28 Mar 95

[FBIS Transcribed Text] MOZDOK, (North Ossetia), Mar 28 (Interfax)—No major positional changes have taken place on the frontline between the federal troops and the Dudayev formations in Chechnya over the past 24 hours, a high-ranking Russian military source in Mozdok told Interfax on Tuesday [28 March].

He said that the Russian units are finishing the encirclement of an illegal armed grouping near Gudermes (45 kilometers east of Grozny). "Whereas from the north and south the city has been practically blocked, from the western side militants are offering fierce resistance," he said.

He announced that the federal troops were planning to complete the encirclement of Gudermes during the next "couple of days." He also said that "Russian interior troops will clear the city districts of Dudayev militants."

Kulikov Plan No Peace Talks With Dudayev's Militants

LD2803104995 Moscow INTERFAX in English 0911 GMT 28 Mar 95

[FBIS Transcribed Text] MOZDOK, Mar 28 (Interfax)—The commander of the united federal force in Chechnya Colonel-General Anatoliy Kulikov does not intend to negotiate a truce with Dudayev's militants. According to an Interfax correspondent, the general declared in Mozdok Tuesday [28 March] that only the complete surrender of weapons and the disbandment of unlawful armed formations can be the subject of a meeting with the leaders of militants.

Kulikov stressed that federal troops are completing the destruction of Dudayev's forces which have lost most of their heavy arms, reserves and command system. The absolute majority of people in Chechnya refuse to support the militants, the general claimed. Delegations of residents have asked federal troops to guard their communities.

Meanwhile, the chief of staff of Dudayev's formations Aslan Maskhadov has been attempting to begin talks on a truce with the federal command but has not responded to the conditions put forward during previous meetings, sources in Mozdok say.

Air Strikes Reported on Shali

LD2803104595 Moscow ITAR-TASS in English 1034 GMT 28 Mar 95

[By ITAR-TASS correspondent Sharip Asuyev]

[FBIS Transcribed Text] Grozny March 28 TASS—Russian troops used "Hurricane" and "Grad" multiple rocket launchers to bomb early on Tuesday [28 March] several settlements in the Shali region of Chechnya where militants are staying. Later in the day combat helicopters flew over the northern Grozny towards the city of Gudermes, another remaining stronghold of Chechen resistance.

It is expected that Russian troops will launch an offensive on Gudermes in the near future. A well-informed Russian source told TASS that First Deputy Prime Minister Oleg Soskovets had ordered during his recent trip to Grozny to complete the military operation in Chechnya by April 1.

It is impossible to get to the combat area near the cities of Argun, Shali and Gudermes. Eye witnesses who managed to escape from there to Grozny told TASS that the Russian Air Force had bombed on Monday refugee camps near the settlement of Antury where thousands of homeless refugees had found shelter in former youth rest camps.

Witnesses said dozens of people were killed and wounded in the air raids. There was no independent confirmation to the reports.

Economic Issues

Yasin Answers Queries on Economic Program

MM2703082995 Moscow ROSSIYSKIYE VESTI in Russian 24 Mar 95 p 1

[Unattributed report under the general headline "People Are Grumbling, Suffering, but Still Hoping. When Adopting the Latest Program, Think About Reforms' Social Cost"]

[FBIS Translated Text] Today in the Kremlin there is an enlarged Russian Federation Government session in which—apart from ministers—Federal Assembly deputies, representatives of the public and entrepreneurial circles, eminent politicians, and scientists will take part. They will discuss the program for the country's economic development in the years 1995-1997.

What has the latest program got to offer people? What results do people expect from the authorities' actions? These are the talking point in the letters coming in to the editorial office and in telegrams and telephone calls.

Will there be a change for the better in the typical situation whereby the minimum wage is one-fifth of the subsistence

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minimum and most social payments are also lower than this level? (Daniil Stepanovich Mikaelov, Krasnodar Kray).

[Yasin] Economic growth is leading to an increase in the population's incomes. Financial stabilization is getting off the ground, since the budget deficit is decreasing, social expenditure and ultimately the living standard are increasing, and all other pleasant results which we are all eagerly awaiting are being achieved.

Will our goods which are cheaper but able to compete with Western goods appear on the domestic market? (V. Shevelukha, Rasskazovo, Tambov Oblast).

[Yasin] The country has a lot of spare capacity and the volume of production can be increased by utilizing it. It is also necessary to increase the efficiency of production, improve the organization of its management, reduce costs, and so on. All this requires investment.

When will it be more advantageous to the entrepreneur in Russia to produce than to trade? (A.V. Kolomiitsev, Nizhniy Tagil, the "Noris" limited partnership).

[Yasin] Indeed, in our country private capital is oriented toward financial speculation or trade, but on no account wants to get involved in production. There is only one reason: high inflation. Suppressing it will immediately widen the sphere of effective projects.

How will unemployment increase in connection with all the reforms and what does the government intend to do to provide employment for people? Or is it every man for himself? (Svetlana Nestorova, Velikiye Luki)

[Yasin] We have 7-8 percent of the active population without work. In some regions the figures are even higher, where the textile, defense, and other industrial sectors are located and there is no compensation in the form of the development of trade, the banking sphere, and services. That is why social policy must be flexible and effective and react quickly to acute phenomena in society. These are the measures envisaged by the current government program.

Does the program envisage any measures to impose order in Russia, like in any civilized society in which the rich feed the poor. Whereas in our country the poor feed the very poor while the rich look on, evading taxes. (Anna Samoylenko, housing construction combine crane operator, Voronezh)

[Yasin] I believe that the tax burden on enterprises must be reduced: Otherwise they will not be able to develop production. In most countries the main bulk of income tax comes from the population. If we leave its poorest section alone and tax everybody else a bit more on a progressive scale, that would not hit people too hard. At the same time the budget will get a solid financial base and the most important tax—inflation—will disappear from it.

Institute Paints Bleak Picture of Economy, Politics

MK2503065095 Moscow NEZAVISIMAYA GAZETA in Russian 24 Mar 95 p 1

[Report by Ivan Storozhev in the "Alternatives" column: "The Government's Victory: The Budget Has Been Approved. The Country's Economy Has Been Pushed One Millimeter Back From the Abyss"]

[FBIS Translated Text] Having understood the reality of parliament's failing to approve the budget, government officials, who earlier displayed miracles of fortitude in opposing the deputies, have finally made a step toward the parliamentarians—they have accepted this year's budget, which now needs only to be signed by the president.

The economic course that the 1995 budget is designed to implement, however, is merely a relic of the past. Today it is clear to everybody (politicians, economists, Chubays, Chernomyrdin, and Yeltsin) that Russia's movement toward a major economic collapse has so far been irrevocable. In this situation observers are no longer engaged in speculation on the subject of "whether or not a catastrophe will occur." The main question for analysts is this: When will the situation in the economy become absolutely ungovernable. Although here, too, there is some unanimity: It will come before this fall.

Curiously, even the consequences of a financial-political crisis arouse virtually no doubts. However, the change of the incumbent government to a team of industrialists from among national-statists, which is so easily predictable, might come a little late in the day and will not salvage the situation because it will no longer correspond to the scale of social destabilization and the level of political passions that will be heated up by the approaching parliamentary elections.

Therefore it is quite natural that many are asking the question whether it is still possible to avert the upcoming upheavals. And there is a sufficient number of authoritative specialists who believe that it is.

Thus, according to Academician Dmitriy Lvov, deputy director of the Central Economics and Mathematics Institute of the Russian Academy of Sciences, the budget deficit is not a cause but an effect of inflation. Based on a fundamentally new inflation concept by Vsevolod Pugachev, an economic-mathematical model was worked out jointly with Anatoliy Pitelin, and calculations were made of various economic policy options, which conclusively demonstrate the impossibility (which has already clearly manifested itself in practice) of resolving the crisis using a tough financial policy.

The Lvov group has assessed five policy options for Russia in 1995-1997, with six scenarios for Russia's socioeconomic development, four of which were calculated in terms of implementing a "liberalist" economic policy.

Thus, in the event that budget expenditures are reduced by the size of the budget deficit, inflation will be 11.4 percent

a month, and the production decline will fall to 35.4 percent of the 1990 level. If the budget deficit is fully covered with foreign loans, these figures will be 8.4 percent and 34.7 percent respectively. If the government decides to "abolish" the deficit through internal loans, then with inflation at 10.5 percent, the production level will constitute 40 percent.

Should Russia move to world prices for energy, energy carriers, and nonferrous metals, with the current tax system the inflation rate will exceed 18 percent a month, while the production level will be 45.8 percent, with the budget deficit the largest in all four scenarios (25.9 percent as against 14 percent to 16 percent in the previous options).

Therefore, Dmitriy Lvov concludes, in no event "will the government manage to abolish the budget deficit." If a tax reform is undertaken and the value added tax and the excess wages tax are abolished, however, monthly inflation, the production level, and the budget deficit will be 6.5 percent, 54 percent, and 11.5 percent, correspondingly—i.e., the best.

The academician does not end on this optimistic note, however. Optimization of import taxes and the introduction of subsidies for agricultural and light industry products promise inflation of 4.3 percent, production volume of 55.3 percent as compared to the 1990 level, and a budget deficit of 6.7 percent of expenditures. Such inflation figures were the government record in summer 1994, when for the sake of fighting inflation the state did not make settlements on state production orders but paid wages and sequestered expenditures.

Whereas in the past the liberal team would have brushed aside such policy as a "dangerous utopia," today it has nothing to offer instead. The \$6.5-billion IMF credit, with a monthly coordination procedure, will cover only an insubstantial part of the budget deficit whereas the internal state loan in the form of treasury bills has, according to Panskov, proved to be "nonbeneficial" and, moreover, it constitutes a dangerous rival to investments in industry.

The movement to a 1-percent monthly inflation rate using last year's methods in the run-up to elections is synonymous with suicide by representatives of the executive branch.

In short, we are in the last months of a liberal power establishment: The next government will uphold the slogans and ideas of its predecessors only in so far as this will be required by foreign policy dictates. It is too soon to judge, however, how all this will end; how it will be provoked (an IMF refusal, panic on the currency market, an all-Russian strike?), or what results it will lead to. One thing is clear, though: A radical and constructive turn is possible only if there is both an understanding of what needs to be done and the political will which is necessary to make this turn.

Experts Discuss 1995-1997 Draft Economic Concept

MM2303101295 Moscow ROSSIYSKIYE VESTI in Russian 23 Mar 95 p 1

[Report by Lyudmila Biryukova: "Academicians Believe That Government Program Creates Illusions. But Are Academicians Creating Them Themselves?"]

[FBIS Translated Text] The draft fundamental guidelines of the concept for Russia's economic development for 1995-1997 preliminarily examined by the Russian Federation Government are already being attacked on all sides. Many specialists and politicians are suggesting utterly different scenarios for emerging from the crisis unlike those elaborated by the government. Actually, there are even more who are simply criticizing the program without suggesting anything instead.

Economy Minister Yevgeniy Yasin's report delivered at the hearings in the Federation Council gave rise to a stormy debate.

Academician Dmitriy Lvov, deputy director of the Central Economic-Mathematical Institute.

It is quite impossible to tolerate the fact that the state is in fact dissociating itself from helping production. Look how it intends to invest in highly effective projects chosen by competition. An enterprise must itself find 80 percent of its own or private capital for implementing such a project and only then does the state agree to add the lacking 20 percent. A striking parsimony. After all, investments lay the foundation to our future.

The methods of struggling against inflation proposed by the government will not produce a result unless the tax system is altered. We must immediately repeal two absurd taxes—the tax on wages and value-added tax—and then production will immediately increase. The budget deficit will decline.

Academician Leonid Abalkin, director of the Economics Institute.

I cannot share the optimistic assessment of the present situation set forth in the program. It creates illusions. In my view there are no trends toward stabilization in the economy. The decline of production in 1994 is the deepest in the entire period of the crisis. The nucleus of many sectors has been destroyed. Financing of the national economy has ceased almost completely. Yes, the population's savings are indeed increasing, but people are spending them on buying currency. Citizens have already exchanged about 56 trillion rubles [R] for dollars. The forecast of a decline in inflation in 1995 to 1-2 percent a month I regard as unrealistic. Our institute gives a different forecast: 7-8 percent a month. Although the pace of production decline will be slower than last year. The program does not contain effect measures to encourage business and entrepreneurial activity. Now the main problem is to overcome the sense of hopelessness. For that

we must create production growth points. And advance from growth points to growth zones.

Aleksandr Tsapin, State Duma deputy.

Since the country has been living under investment famine conditions for several years I consider it inexpedient to finance from the federal budget such a large number of targeted programs as the government proposes. Look at the list of these programs. Alongside important ones, for instance "Russia's federal space program," there are many others of lesser importance. "Russian Flax," "machinery for the repair of underground communications," and others. In all there are about 50 items on the list. Will the budget be able to manage them? This is dissipation of funds. I think this list should have been made public beforehand and the aims of each point should have been clearly specific.

Yevgeniy Yasin, Russian Federation minister of the economy.

I would be surprised if such profound transformations failed to give rise to disputes. There were disputes during the preliminary examination of the concept. Many amendments have been made, particularly in the field of the development of the agro-industrial complex, science, and a number of other spheres. I am sure that the program's implementation will open the way to the revival of production, financial stabilization, and the creation of stabler living conditions for people. [Yasin ends]

And so there has been a certain amount of limbering up before the discussion of the main provisions of the concept for economic development at an expanded government session. I think many of the wishes and suggestions voiced will be considered before the final approval of this important document defining paths for the country's development for the next three years.

Government Study Predicts Higher Unemployment

LD2303163795 Moscow ITAR-TASS in English 1307 GMT 23 Mar 95

[FBIS Transcribed Text] Moscow March 23 BUSINESS-TASS—The Russian governmental centre for studies of economic conditions forecasts further growth of unemployment in Russia.

The centre's review received by BUSINESS-TASS today says 1,839,000 Russians have been officially registered as unemployed in February 1995, and a 5.8 percent increase in the unemployment rate, to 2,244,000, is forecast for May.

Russia's average unemployment rate is expected to increase by May by 0.72 percentage points compared with the January figure, to 2.7 percent of the total population.

The centre forecasts the highest unemployment rates, six to 9.2 percent, for central Russia.

Moscow is expected to fare best, with a predictable increment of some 0.5 percentage point in its unemployment rate.

Economic Policy Statement Reviewed

954F1797A Moscow SEGODNYA in Russian 14 Mar 95 p 11

[Article by Andrey Grigoryev: "The Third Try of Viktor Chernomyrdin: The Signing of the Declaration of Economic Policy by the Government and the Central Bank Has Now Become a Tradition"]

[FBIS Translated Text] Each subsequent declaration is adopted earlier and earlier—whereas the first declaration in 1993 was signed at the beginning of the summer, and last year's in the last days of April, the head of the government, Viktor Chernomyrdin, and the acting chairman of the Central Bank, Tatyana Paramanova, signed the declaration of the fundamental provisions of economic policy this year as early as 10 March. As in previous years, both the time frame for the adoption of this document and the content itself were predetermined by the terms of the cooperation of Russia with international financial organizations. Although the text is about a 30 percent repeat of last year's (partly owing to the continued topical nature of certain provisions, partly owing to the failure to realize some others, and partly owing to the declaratory nature of some others still), the present declaration looks to a much greater extent like an intelligible economic program. Primary attention has naturally been devoted to financial policy.

Whereas a year ago the desired goal was a reduction in inflation to 7 percent a month, today an average 4 percent monthly rise in prices over the year and 1 percent a month at the end of the year are indicated as the points of reference. The maximum amounts of net internal assets of the monetary authorities and the maximum amounts of requirements of the monetary authorities toward the federal and expanded government are being used as the base regulators of the level of the money supply. The evolution of the second indicator is a curious one. Whereas its analogue two years ago was the maximum quarterly increase in credit issues, last year it was the magnitude of the net credit to the expanded government, which made it possible to take into account the operations of the government with foreign creditors and precious metals. The current interpretation reflects the complete refusal by the Central Bank not only of direct credit to cover the budget deficit, but also to grant centralized credit at all. "The refinancing of the commercial banks will be accomplished only through auctions and other market mechanisms." The latter include operations in rediscounting bills, collateral crediting, and REPO operations (sale with mandatory repurchase) with government securities issued under market conditions.

The latter stipulation is no accident. The declaration actually acknowledges the "nonmarket nature" of the treasury obligations [KO] issued by the Ministry of

Finance. The KO's, after all, were not sold to their primary owners, but were rather delivered for the payment of budget debts, moreover with restrictions on circulation and with a rate of 40 percent a year. It is another matter that the market very quickly "digested" the new paper, and KO operations became hardly the most attractive in income. Now the government is obliged to reduce the net volume of unpaid KO's, and the deadline for the circulation of those securities is limited to 1 July 1996. The government intends as alternatives "to place treasury securities with market-level incomes directly with major institutional investors," "to begin the realization of the program of issue of state medium-term and long-term bond obligations," and "to attract the funds of the population through the offering of state securities with a rate of interest that is closely linked to the income of the GKO's [state treasury obligations] with comparable maturity dates, including paper with floating rates."

All these intentions could understandably be realized given a qualitative reduction in inflation, such that potential investors will have confidence in the stability of the trend (the experience of the fall of last year is hardly forgotten). It is thus not entirely understandable what market methods (aside from the GKO market) the government intends to use to finance the budget deficit. The fact that, aside from the opportunity stated in the declaration for the receipt of a short-term loan by the government from the Central Bank in the first three months of the year (not more than 3.475 trillion rubles [R]) and loans for a term of not more than six months, "the Central Bank could increase the amount of its requirements toward the government for the acquisition of state securities in the secondary market" is a sobering one in this regard. Civilized forms of issuing credit in excessive quantities have the same danger of inflation as direct interest-free credit. The stated limits for increases in credit issues, as is well known, were not observed last year or the year before that.

The government, at the same time, is strictly obligated that "budgetary loans not be granted at interest rates below the quoted interbank rate" and "subsidies not be granted at interest rates for credit from other sources above and beyond the amounts stipulated in the budget" this year. The dual restrictions—on the amount of budget subsidies, and the level of the interest rate on credit being subsidized from the budget—rule out the possibility of manipulations with the value of the subsidized credit. The government, in

addition, "will not give guarantees of credit granted to commercial banks for funds that are not stipulated in the budget."

The declaration deems tax reform essential—the government is to submit to the Federation Assembly a draft Tax Code this year; it is proposed that it be adopted in 1996 and take effect in 1997. Tax policy will meanwhile be reinforced at the "technical" level—the government intends to increase the collectability of taxes. This pertains first and foremost to the value-added tax. The workload for accountants is rising—the institution of a system of invoices is being proposed right down to the level of retail trade, along with the obligation that taxpayers have separate ledgers to record purchases and sales as part of the accounting books. There is scarcely any reason to expect any lessening of taxes for the next, say, two years; the technical efforts are proposed to be radicalized: "taxes in the form of withholding will be more widely incorporated." The wager is thus being placed not on an increase in the self-discipline of the taxpayers (which is normal when there is an easing of the fiscal regimen), but rather on mechanisms for compulsory extraction.

Other aspects of the economic policy are covered in less detail in the declaration; that is natural, insofar as the traditional occasion for its signing is the negotiations with the IMF. The promises to publish a schedule of the sale of blocks of stock in industrial enterprises and the intention to involve foreign investment banks in the realization of the federal program of sale of state property are substantial ones in the area of privatization. Foreign investors have been promised that a national regime conforming to international standards will be maintained therein.

The granting of the opportunity to private pension funds and insurance companies to compete with the corresponding state funds in the area of servicing pension accounts and selling policies of medical and social insurance could be considered another important intention. It is heartening to see that the government intends to accomplish the "ideological" task declared in the preamble to the document—"to provide a suitable level of social protections for the population"—without detriment to market transformations. The re-orientation of at least some of the population toward the services of private funds, on the contrary, will provide a highly powerful mechanism for the accumulation of private accumulations for primarily investment purposes. Pension funds and insurance companies are traditionally the principal institutional investors in market-organized economies.

National Affairs

Meeting On USSR Referendum Fizzles

954F1859A Donetsk AKTSENT in Russian 21 Mar 95
p 1

[Unattributed article: "They Did Not Come Out in Large Numbers on Lenin Square, Working Donetsk Said 'No' to Revival of the USSR"]

[FBIS Translated Text] A gathering dedicated to the fourth anniversary of the well-known referendum on preservation of the USSR was held on 18 March on Lenin Square in Donetsk. The Saturday measure was conducted by communists, socialists, and other left-wing parties and movements.

There were not many people there, despite the agitation-propaganda preparation for the gathering. The speakers (among them people's deputies of Ukraine, deputies of local councils, and party activists) gathered several hundred people, primarily veterans of parties, war, and labor who came with blue-and-red and red banners, slogans in support of the revival of the USSR, and placards castigating President Kuchma, the oblast leadership, and capitalism. The speakers spoke in a dull way, and inertia and the formality of the occurrence was sensed in everything. The participants in the gathering pined for the former Union, dreamed of a future revived Union, called those politicians who had assembled in the remote Belarusian area in 1991 the "Belovezha goats," stigmatized the nationalists and Gorbachev, and an idea that went beyond the bounds of common sense—concerning the autonomy of the Donbass was brought up.

A society that is situated in a condition bordering sleep and revolt views such measures rather complacently. As long as the authority does not start to shake by itself, or by virtue of other circumstances, the left-wing forces cannot count on anything. Its present leaders will not be able to take power. In the best case they will be able to pick it up if it falls at their feet. In any case, as was taught by the leader of the world proletariat and brilliant tactician in overthrowing legal authority, everything will be decided in the capitals.

Nevertheless, today's fighters for the people's cause, as the saying goes, have registered themselves. The "measures" column has been checked off, and the foreigners who took pictures of the gathering convinced themselves of the continuation of the triumph of democracy in Ukraine.

Strains Seen in CP Unity

954F1811A Kiev KIYEVSKIYE VEDOMOSTI in Russian 14 Mar 95 pp 1, 3

[Article by Sergey Rakhmanin and Valeriy Miloserdov (photography), VEDOMOSTI correspondents: "The Communists Decided that Russian Will Be a State Language, But Then They Changed Their Mind; the Communist Party Is Preparing 'To Eliminate the Consequences of the Counterrevolution'"]

[FBIS Translated Text] The hall clearly got out from under the control of Petro Symonenko, leader of the KPU [Communist Party of Ukraine]. Several minutes earlier the delegates of the Second (30th) Communist Party of Ukraine congress finally took a position on the question of the status of the Russian language. The already adopted program position that the communists will try to elevate Russian to the rank of a second official language was reviewed at the request of the delegations of five oblasts. After long discussion and agonizingly long voting, the point of view of the adherents of Russian as an official language was victorious. This scandalous moment finally provided an opportunity for contradictions that have existed inside the highly disciplined and seemingly monolithic organization to surge to the surface. The frictions over language make it possible to talk about the March forum as the "fractured congress." Whether this fracture will lead to a split is not known, but rumors have already appeared about the Communist Party of Crimea's withdrawal from the Communist Party of Ukraine, about the possibility of creating a separate party on the basis of western cells, and about the replacement of the leader, which cannot be ruled out. Symonenko, in the opinion of the radicals, is not tough and wise enough to be party leader, and has simply remained a "perpetual Komsomols" [member of the All-Union Leninist Communist Youth League].

It was not ruled out that the congress would not take place without pain. But other reasons were named for possible discussions. Disagreements could occur regarding the program. According to available information, the initial variant of the draft of this document evoked sharp criticism on the part of the radically inclined wing. In its opinion, it was impotent and insufficiently revolutionary—"Gorbachevism" of the first water. The program was rewritten, but communists-realists had a right not to agree with its new wording. Certain difficulties could also arise in both determining the treatment of restoration of the Union and with the Communist Party of Ukraine joining the SKP-CPSU [Union of Communist Parties-CPSU], whose unifying congress is planned for the summer of this year. It was proposed that the radicalism, more exactly, the anachronism of the program could introduce a certain lassitude in relations between communists and socialists. But the situation concerning the "tough opposition toward the existing antipopular regime" could hardly have been expected to evoke the enthusiasm of the leader of the fraternal party, considering that he also occupied the speaker's chair.

The communists also had complaints against their own leader. His removal just before the congress seemed impracticable, and it seemed improbable that the disciplined communists would risk washing their dirty linen in public. But the presence in the party of hotheads and unresolved problems did not guarantee Petro Nikolayevych absolute calm. In the opinion of many, he had become very distant from the people: He does not speak before the people, he does not visit plant shops—he is a typical apparatus leader. And, indeed, as an armchair

politician he is not sufficiently productive: While having behind him the largest parliamentary faction, he was still unable legislatively to form the rehabilitation of the Communist Party of Ukraine-CPSU, and until now has not been able to get a building for the Central Committee in Kiev. He has let his work with the youth and the proletariat slide. What does "reliance on the worker" mean? Scientists and cultural figures also work—but they can unite in "Prometheus." Workers in the village can unite in the fraternal Peasant Party. But the main reserve of the social base of the Communist Party of Ukraine is the working class. This is Marxism! Indeed, Petro Nikolayevych is not brilliant as a public speaker. Incidentally, he looked a little worse on the congressional podium than Leonid Grach, the main Crimean communist, or Genadiy Zyuganov, the honored guest of the high meeting.

Symonenko's report was sufficiently tough, but on the whole it was restrained in parliamentary style, and did not compare at all with the orthodox program. The striking moment of the speech of the party leader was the following: The party stands in opposition to the authorities and the chief of state in particular: "We cannot support a president who actually disavowed his preelection promises and is conducting the antipopular policy of his predecessor. The president has surrounded himself with people who faithfully serve foreign patrons. Anticommunist motives have become the invariable attribute of almost every presidential speech, interview, and news conference." At the congress, by the way, an appeal by Leonid Kuchma was read to the delegates which contained a subtle hint: History is not going back. The audience hissed the message in a rather friendly way, especially when the president said he shares the experience of the communists regarding the difficulties that have fallen to the lot of the Ukrainian people. The first secretary also expressed support for the Communist Party of Ukraine joining the Union of Communist Parties-CPSU. This was associated with the resolution of the congress which noted that the party is for the restoration of the Union of fraternal peoples, but with preservation of the sovereignty of member states. Obviously, the point of view of the pragmatist-communists nevertheless influenced this decision. A snide remark about the allied parties that a strong block of left-wing forces had not yet become reality leapt from the pages.

Oleksandr Moroz in his speech replied with a number of snide remarks and, it must be said, he aimed them more accurately and more exactly. In general, the chairman of the Supreme Council looked somewhat depressed, and he spent a large amount of time writing. He tore himself away from his paper only when the hall met a particular phrase with an ovation, and he was forced to note the applause listlessly. In his speech, the head of the SPU [Socialist Party of Ukraine] defined the border of differences between the two parties. Yes, Moroz remarked, one can be in opposition, but was the opposite not better: to participate, to influence, and gradually to intensify this influence. It is always more difficult to take action than to engage in political jabbering, the speaker noted, and not much is

being done. And Oleksandr Oleksandrovych had complaints about the theoretical positions. Moroz questioned the communists: The socialist method of economic management—what is it? That which was, or, according to Marx, the unification of property and labor.

Judging by conversations in corridors, the speech of the head of the party satellite was not liked too much by a majority of delegates. The program of the party was much more to their liking, and, incidentally, it is rather blurred tactically. Strategically, it was simple: The first stage is the abolition of the "antipopular regime." The methods of revolutionary struggle—strikes, pickets, rallies, etc. In the first stage, the organizers graciously allowed the preservation of a multistructured economy. In the second stage, it was planned to "eliminate the consequences of the counterrevolution" and to establish the priority of socialist property. In the third stage, it was planned to build a socialist society. The institution of the president, according to the program, was to be eliminated. The sale of liquor and vodka and tobacco articles was to be controlled by the state.

A significant part of the program was devoted to an analysis of the causes of the "counterrevolutionary coup of 1991." The national-communists and also the members of the Communist Party of Ukraine were criticized—according to party terminology—as timeservers and cowards who had fallen under the thumb of world capital and the CIA. This program evoked some amazement at its propagandism and haziness. It smelled a little of naphtalene: Obviously, of the two points of view ("Marxism is not a dogma" and "the teachings of Lenin are immortal"), the second won.

Zyuganov's speech (for whom, incidentally, a luxurious ovation was given) demonstrated: The Russian communists are nevertheless more pragmatic. The leader of the Communist Party of the Russian Federation supported close contact with managers: "The director corps is tied to 'money'... But it is now becoming our ally." Or this kind of passage: "In Dagestan and Tatarstan either our people or the party in power came to authority, where two-thirds are intelligent, competent, and professional people."

Leonid Grach, who talked nicely with Zyuganov midway in the congress and posed with him in a joint picture with pleasure, proved to be far more orthodox. His tough speech was a direct answer to Moroz's speech. It was Leonid Ivanovych who became one of the co-authors of a small congressional sensation.

After the program passed "with cheers," the statement by five delegations appeared, which was in fact scored by Oleksandr Holub, first secretary of the Lvov Oblast Party Committee. He and Supreme Council Deputy Valentyna Semenyuk called for reason: If the communists insist on giving the Russian language the status of a state language, it will be so difficult for members of the party in the western regions. In the beginning this point of view was supported by only 82 of the 390 delegates. After discussion and additional voting: 159 persons voted for a Russian

state language and 178—for an official language. Here Grach “broke into” the front line. Overcoming Symonenko’s weak attempts, he “seized the podium by himself” (a quote from Petro Nikolayevich) and demanded a return to the previous variant in order “not to create a reason for a split.”

At the end of the congress the discussion was continued behind closed doors. Not only the journalists, but also members of the party who were not delegates were forced to lounge about in the corridors of the Internal Center for Culture and the Arts (which previously by an irony of fate housed the Institute of Noble Young Women and later the republic’s NKVD [People’s Commissar of Internal Affairs]). As it turned out, the “language matter” went on for a long time. Grach declared that the additional voting on an individual point after the adoption of the whole program was revisionism. The representatives of the western regions were indignant. “You can walk in the streets with red banners where you are, but we are beaten up for this banner!” Representatives of the eastern regions replied: “We deliberately supported equal representation from the oblasts, and what, does it turn out that we laid a delayed action mine? Compare the number of communists in Lvov and Donetsk!” Symonenko, who became hoarse, was tired of reconciling his colleagues. The colleagues were also tired. The argument came to nothing.

The congress ended—and questions remained. Judging by everything, Petro Symonenko will have to apply a lot of effort in the near future to strengthen both the party ranks and his own leadership position in the party. Clarification will have to be sought of the positions between the Socialist Party of Ukraine and the Communist Party of Ukraine, and also an elucidation of the relations between the leaders. A lot will depend on the evaluation of the actions of the Communist Party. A step to the right, and apologists will come to the party Olympus, and the “cabinet leaders will have to part with their leadership chairs.” A step to the left, and the pragmatists will end up, for example, in the Socialist Party, or they will generally create a separate party formation. Indeed, in no case is it possible to lose the powerful detachment of Crimean communists. One thing can be said with confidence: The communists will be one of the most active characters in the week’s session that opens today. Judging by the program, it does not seem that the Communist Party of Ukraine will have any luck in becoming the dominant force in society.

Crimean Deputies on Presidency, Meshkov

954F1871A Moscow NEZAVISIMAYA GAZETA in Russian 18 Mar 95 p 2

[Article by Aleksandr Pilat: “The President Is Like a Fifth Wheel”]

[FBIS Translated Text] Crimea—Fewer and fewer residents of the peninsula today are supporting the institution of the presidency in Crimea. The overwhelming majority are inclined to view this as a superfluous superstructure. At

least two-thirds of the 98 deputies of the Crimean parliament consider this institution unnecessary and relate negatively to the election and actions of President Yuriy Meshkov. Only the faction Russia—Unity (17 individuals) and perhaps a dozen other deputies assess his activities positively.

Our NEZAVISIMAYA GAZETA correspondent contacted well-known people in the autonomous republic and asked them two questions:

1. How do you feel about the institution of the presidency in Crimea?

2. What is your opinion of President Yuriy Meshkov?

Here is how they responded:

Mikhail Bakharev, Crimean Supreme Council deputy (from the Russia faction)

1. My attitude is sharply negative. It is too expensive a luxury for a republic such as Crimea. In addition, the president has nothing to do here. The president heads the enforcement structures in a given state, as a rule, but here the president is like a fifth wheel.

2. I do not wish to say that I unequivocally support the presidency in Tatarstan, although this is a major region and merits no comparison whatsoever with our small Crimea. But whereas there, Shaymiyev acts as a guarantor of peace and stability, in Crimea Meshkov has managed to destroy that was built before him. He split the Russia bloc, divided all the people in fact. Meshkov brought in a student detachment of intractables from Moscow who, in the final analysis, led our economy down a blind alley. (Reference here is to the team of Deputy Prime Minister Yevgeniy Saburov—A.P.). Meshkov promised people so much that he undermined any trust in the authority. Furthermore, he assembled his team from the most incompetent so-called specialists.

Lenur Arifov, chairman of the Standing Commission of the Crimean Supreme Council on Deputy Credentials, Ethics, and Work Organization of the Supreme Council (Kurulay faction)

1. Crimean Tatars did not take part in the first round of the presidential elections. We were convinced that this was an unnecessary institution. But when, thanks to populist propaganda, a certain unhealthy euphoria enveloped Crimeans, we decided to support then Crimean Supreme Council Chairman Nikolay Bagrov to the post of president of the autonomy, insofar as we knew that Meshkov’s accession to power could seriously influence the political situation in the autonomy. We wanted to place a barrier in the way of Meshkov’s election.

2. We saw this coming, and now almost everyone is convinced that Meshkov has done nothing positive for the autonomous republic. He unleashed a lengthy war with the parliament, preventing any resolution of economic problems. Much time has been lost—to a significant degree the result of President Meshkov’s position.

Leonid Grach, Crimean Supreme Council deputy (Agrarian faction), first secretary of the Crimean Communist Party

1. Reality has already proved that the two authorities—half-legislative and half-executive—are incompatible. This is the chief reason for the conflicts that have arisen, in particular, in Russia. Communists have fought and will continue to fight in favor of a forum of soviets, insofar as we are convinced that leadership must issue from a single center. I ran for the office of president of the autonomy with just one objective—to eliminate this position, and I promised the voters that I would introduce a legislative initiative on the issue in the very first session of parliament.

2. During the initial stage of his presidency, Meshkov became involved in matters he had no business engaging in, and now he is not doing anything. He has no influence on the course of economic and political processes. How could his "activity" be evaluated as positive?

Pavel Yevgrafov, deputy permanent representative of the president of Ukraine in the autonomous Crimean Republic for matters of law and statehood, director of the Legal Division of the government, former director of the State-Legal Division of the Crimean Supreme Council

1. Negatively. Crimea is not prepared for such a form of rule. On the one hand, the intelligence and ability to lead is absent. On the other, as a part of Ukraine, Crimea must have the same democratic base that is stipulated in the Constitution of our state.

2. Yuriy Meshkov has illustrated incompetence in resolving important political and economic issues. In addition, he brought conflict to the branches of power on the peninsula and utterly destroyed stability.

Petr Volvach, director of the Southern Agroecology Center

1. I am absolutely convinced that in any state there should be just one president. Therefore, I have been completely unable to understand from the very beginning why the autonomous republic should have a presidency. My family did not participate in these elections.

2. Acceding to power on populist slogans of the Russia bloc, Meshkov has brought nothing but harm to Crimea. His edicts have been annulled by the president of Ukraine. The only thing that could be entered under "positives" for Meshkov is Moscow time, which, by the way, does not apply to our region insofar as the autonomous republic is situated west of such oblasts as Kharkov, Donetsk, and Lugansk, which operate on Kiev time.

Aleksandr Fedorenko, chairman of the General Chemistry Department of Simferopol State University, professor

1. A presidency in Crimea is such a stupid idea that I do not wish to talk about it.

2. Meshkov has changed his team five or six times over the year he has served as president. The team is not functional. And indeed, it cannot be functional since the institution itself is so paradoxical.

Pavel Vlasenko, deputy chairman of the All-Crimean Society Prosvita

1. From the very outset of the presidential preselection campaign in Crimea, all Ukrainian parties and movements of the peninsula promoted the slogan "Ignore the elections!" We decided to boycott them. We understood that the presidency was an utterly superfluous superstructure on the peninsula. And let me mention one other aspect. I believe Crimea does not need autonomy according to the so-called territorial principle. I am convinced that we must await the return of all Crimean Tatars who wish to return to their historic Motherland and create an autonomy for these people.

2. The election of Meshkov proved the legitimacy of our arguments. It is rightly said that he is a fifth wheel. I would like to focus special attention on the fact that the new government of the peninsula headed by Anatoliy Franchuk has been operating for five months now, and fairly effectively. It does not need any presidential leadership whatsoever. The time has come for the president and Supreme Council of Ukraine to put things to rest, as they say. I am referring to elimination of the position of president of the autonomy and transfer of the government to the direct jurisdiction of the Ukrainian president through his representative in Crimea.

Text of Meshkov Appeal to UN, OSCE

954F1896B Simferopol KRYMSKIYE IZVESTIYA in Russian 23 Mar 95 p 1

"[Appeal to the Secretary General of the United Nations, His Excellency Mr. Butrus Butrus-Ghali, to the Secretary General of the Organization for Security and Cooperation in Europe, Mr. V. Henk, to All Social Democratic Organizations of the World Community, and to the International Confederation of Journalists"]

[FBIS Translated Text] Having flouted generally recognized norms and principles of international law, the Supreme Council of Ukraine has rescinded the 6 May 1992 Constitution of the Crimean Republic, fundamental principles of which were confirmed at the universal plebiscite of 27 March 1994 and stipulated in the Law on Restoration of the Constitutional Principles of Statehood of the Crimean Republic, dated 20 May 1994.

All these illegal decisions of the Supreme Council of Ukraine, adopted unilaterally in violation of the Law on Demarcation of Authority Between Crimea and Ukraine, constitute a clear violation of the constitutional principles of statehood of the Crimean Republic and transform it into an ordinary administrative-territorial formation—the Crimean Oblast.

Yet one more example of violation of the rights of voters is the repeal of laws on the president and presidential elections in the Crimean Republic, and of the Law on Elections of Deputies and Chairmen of Rural, Settlement, City, Rayon, and Rayon-in-City Councils, which contradicts basic democratic principles in existence throughout the civilized world.

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In the referendum conducted 20 January 1991, over 83 percent of Crimeans expressed their support for restoration of the Crimean Republic as a Union entity and participant in the Union Treaty, there never being any discussion with respect to Crimea's inclusion within Ukraine. This was determined by the then operating USSR Law on the Resolution of Issues Related to the Procedure for Secession of a Union Republic From the USSR, dated 3 April 1990.

This law required that during conduct of the 1 December 1991 referendum on Ukraine's state independence, Ukraine afford Crimeans the right to simultaneously conduct its own referendum on the state status of the Crimean Republic, with respect to the following issues:

1. Entry of Crimea into Ukraine.
2. Return of Crimea to Russia.
3. Crimea to become an independent state.

But this right was never afforded Crimeans by Ukraine, in violation of the USSR Law of 3 April 1990.

According to the Crimean Republic Constitution, "the bearer of sovereignty and only source of state power is the people who comprise citizens of all nationalities of the Crimean Republic." Nonetheless, the position of president of the Crimean Republic, in support of which more than 73 percent of the electorate voted, is being eliminated. All these actions of the state authority of Ukraine are illegitimate, invasive, and aimed at gradual elimination of the foundations of statehood of the Crimean Republic. Our citizens are expressing resolute protest against these illegal actions at meetings and demonstrations in many cities and population centers.

On 18 March 1995, the Crimean Supreme Council examined the issue of the political-legal situation in the Crimean Republic and adopted a declaration according to which it would never reconcile itself to loss of its Constitution and the norms of state structuring stipulated in it.

The president of the Crimean Republic fully supports the demands of the citizens of the republic and the Declaration of the Crimean Supreme Council, and calls upon you to utilize the entirety of your authority in the world arena to adopt effective measures to protect the statehood of the Crimean Republic in accordance with the will of the people and with the aim of protecting their rights.

The people of Crimea are awaiting efficacious assistance from you!

[Signed] President of the Crimean Republic Yu. Meshkov
City of Simferopol
21 March 1995
No. 1386

Text of Meshkov Appeal to Yeltsin, Duma

954F1896A Simferopol KRYMSKIYE IZVESTIYA in Russian 23 Mar 95 p 1

["Appeal to Russian Federation President B.N. Yeltsin, to Deputies of the State Duma and Federation Council of the Federal Assembly, and to the People of Russia"]

[FBIS Translated Text] Dear Fellow Countrymen!

Citizens of Crimea, the majority of whom are Russians or Russian-speaking, have entered a period of significant ordeal.

The Supreme Council of Ukraine, having violated generally recognized norms and principles of international law, has now unilaterally, from a position of power, rescinded the Constitution of the Crimean Republic and laws on the president of the Crimean Republic and presidential elections. In so doing, it has flouted democratic principles in existence throughout the civilized world.

These actions are evaluated by the citizens of Crimea as illegitimate, invasive, and aimed at gradual elimination of the pillars of statehood of the Crimean Republic, in support of which an absolute majority of the electorate—over 83 percent—voted on 20 January 1991.

Our citizens are expressing their resolute protest against these illegal acts in many cities and population centers.

On 18 March 1995, the Crimean Supreme Council examined the issue of the political-legal situation in the Crimean Republic and adopted a declaration according to which it would never reconcile itself with the loss of its Constitution.

The declaration also expresses an urgent request to the highest leadership of the Russian Federation to exert its influence on the Ukrainian leadership with the aim of concluding a broad-scale treaty between the Crimean Republic and Ukraine in accordance with the 6 May 1992 Constitution of the Crimean Republic, taking into account the interests of the republic and of its citizens.

The president of the Crimean Republic supports the declaration of the Crimean Supreme Council on the impossibility and impermissibility of resolving Crimea's problems through methods of force and its readiness to lift the moratorium on an all-Crimean referendum on the status of Crimea, as well as its appeal requesting guarantees for the conduct of this referendum.

I call upon you to utilize the entirety of Russia's prestige in the world arena to normalize relations between the Crimean Republic and Ukraine.

[Signed] President of the Crimean Republic Yu. Meshkov
City of Simferopol
20 March 1995
No. 1381

Crimean Council Appeals for Referendum

954F1871B Simferopol KRYMSKAYA PRAVDA in Russian 21 Mar 95 p 1

["Declaration of the Crimean Supreme Council: Crimea—Without a President or a Constitution"]

[FBIS Translated Text] On 17 March 1995, the Ukrainian Supreme Council examined the issue "The Political-Legal Situation in the Autonomous Republic of Crimea." The

decisions it adopted flout elementary democratic principles that exist in the civilized world. Using methods of dictate, the highest legislative organs and the president of Ukraine are depriving the Crimean Republic of the foundations of statehood, countermanding the Constitution itself and state symbols.

Let us consider the roots of the restoration of Crimean statehood. Statehood was the result of the all-Crimean referendum of 20 January 1991, when an absolute majority of the voters expressed their support for restoration of the Crimean Autonomous Soviet Socialist Republic as an entity of the USSR and participant in the Union Treaty. This was no chance occurrence. Even then the peoples of Crimea were significantly fearful at the prospect of manifestation of separatist tendencies in Ukraine. Voting in this manner, they were attempting to provide themselves insurance with respect to the possible withdrawal of Ukraine from the USSR. Crimeans also supported preservation of a unified state in the referendum of 17 March 1991. And indeed, there was yet one more referendum—that of 1 December 1991 on the independence of Ukraine, when 54 percent of the voters, guests of Crimea, and military servicemen of Ukraine came out in support of independence. But even this 54 percent voting in favor constitute just one-third of the voters of Crimea. In addition, the referendum was conducted at a time when Ukraine was part of a unified state and discussion centered around independence—once again, within the framework of the Union. In this regard, Ukrainian state propaganda promised people abundance literally the day after acquisition of “relevance.”

However, the three and a half years that have passed failed to bring anything to the people of Ukraine or Crimea except disillusionment, poverty, and economic and spiritual degradation.

All during this time, Crimeans, the overwhelming majority of whom are Russians and Russian-speaking people, endured special suffering due to separation from their historic Motherland—Russia. Additionally, they never did agree with the unjust “deportation” of the entire Crimean Peninsula together with its population, without its consent, in February 1954—out of the Russian Federation and into Ukraine.

This was confirmed once again in the elections in January-April of last year, when the Russian idea and its mouthpiece—the Russia electoral bloc—sustained a convincing victory. At the 27 March plebiscite, conducted simultaneously with the election of the Supreme Council, Crimeans were virtually unanimous in expressing their support for restoration of the 6 May 1992 Constitution of the Crimean Republic and for dual citizenship.

And it is precisely this striving of the Crimean parliament to fulfill the will of its voters for which the Supreme Council and highest state officials of Ukraine have issued blame in its direction. It is no accident that this is being done on the eve of conclusion of a broad-scale treaty between Ukraine and Russia. Having deprived Crimea of

statehood, Ukraine would very much like to resolve right now—itsself, without Crimeans, just as in 1954—the problem of the status of Crimea, Sevastopol, and the Black Sea Fleet.

The Crimean Supreme Council declares in this regard that it will never reconcile itself to the loss of its Constitution, or of Sevastopol—an integral part of the Crimean Republic.

We appeal to the president and Federal Assembly of the Russian Federation, presenting the urgent request that you refrain from concluding a treaty between Russia and Ukraine without taking into account the interests of the Crimean Republic and its citizens.

We appeal to the Supreme Council of Ukraine with the proposal that a broad-scale treaty be concluded between Ukraine and the Crimean Republic in accordance with the 6 May 1992 Constitution of the Crimean Republic.

We appeal to the Ukrainian president with the proposal that he act as guarantor with respect to the conclusion of such a treaty in accordance with his program and preelection promises.

The Crimean Supreme Council considers impossible and unacceptable resolution of the problems of Crimea through methods of force, declares its readiness to lift the moratorium on the All-Crimean referendum on the status of Crimea, and appeals to the president and Supreme Council of Ukraine, to the president and Federal Assembly of the Russian Federation, to the Organization for Security and Cooperation in Europe, and to countries of the world community, requesting that they act as guarantors of the conduct of this referendum.

Moroz News Conference on Crimea Situation

954F1897A Simferopol KRYMSKIYE IZVESTIYA in Russian 23 Mar 95 p 1

[Taped transcript of news conference given by A. Tkachenko, deputy chairman of the Supreme Council of Ukraine, Yu. Karmazin, leader of the provisional parliamentary Commission for Study of the Political and Legal Situation in the Autonomous Republic of Crimea, and O. Moroz, chairman of the Supreme Council of Ukraine, on 20 March in Kiev, broadcast on Ukrainian television's Channel 1 (translated from Ukrainian): “We Have a Respectful Attitude Toward the Supreme Council of Crimea”]

[FBIS Translated Text] A. Tkachenko, deputy chairman of the Supreme Council of Ukraine, and Yu. Karmazin, leader of the provisional parliamentary Commission for Study of the Political and Legal Situation in the Autonomous Republic of Crimea, took part in a news conference given by O. Moroz, chairman of the Supreme Council of Ukraine, on 20 March in Kiev.

[Moroz] There is today, obviously, not a single experienced journalist who has not familiarized himself with the documents of the Supreme Council of Ukraine connected

with the situation in Crimea and with the alignment of the legal field on the territory of the Crimean peninsula with the legal field of Ukraine. We are keeping a close watch on the situation following the adoption of these decisions. It has to be said that it is stable, on the whole. According to our information, people both in Crimea and in Ukraine as a whole have received the decision of the Supreme Council of Ukraine positively, even calling it somewhat belated, although we do not think so. There is considerable evidence that a whole number of organizations and leaders of local authorities are expressing support for the decisions of the Supreme Council of Ukraine, advocating a need for influence on the situation in Crimea by specific economic methods and so forth. But we are not in this case making reference to the opinions of this structure of society or the other or its representatives, we are proceeding from the legal spectrum of this problem. And we have, therefore, every reason to say that the Supreme Council of Ukraine has adopted a very responsible approach to an evaluation of the situation in terms of the application of the appropriate measures.

We have a wholly respectful attitude toward the Supreme Council of Crimea, taking account of its legitimacy and functions identified by legislation: On the whole, the entire package of documents that we adopted at the session of the Supreme Council of Ukraine amounts to the constitutional authorities operating on the basis of the constitution and the actions of these structures contributing to satisfaction of the interests of the citizens of Ukraine as a whole and, undoubtedly, to the Crimean population. We will continue to work in the same direction, helping, if necessary, and correcting the actions of the legislative representative authority in Crimea and contributing to the establishment of constitutional order and the legality of the steps of the local authorities and also the government that contribute to a stabilization of the situation in Crimea and in Ukraine.

[Question] Three questions to O. Moroz: Was it fortuitous that the Crimean situation was considered on 17 March? What is the reaction of Russia's news media to this? And, finally, what can be said about the program for the reconstitution of the Crimean Tatars on the peninsula?

[Moroz] There was a decree of the Supreme Council of Ukraine on the consideration of this matter of 16 March. All officials who were to have taken part in the session of the Supreme Council in this connection were notified. But in connection with the fact that it was extremely necessary that we consider the question of the budget, we were unable to examine this matter on the 16th and we postponed it, therefore, until the 17th. Thus if we are talking about a short space of time, there is possibly a precise coincidence of the appointed date here; if, however, we are speaking in a broader context, as of May of last year, such measures should possibly have been adopted earlier. I mean that, for example, such measures could very well have been adopted last September. But it seems to me that we did everything to adopt a respectful attitude toward the structures that exist there. And this was not simply a

demonstration, it was an attempt to afford those people themselves an opportunity to bring constitutional order to bear. And it has to be said that, as of last September, work had been performed quite consistently in this area, and the influences of various political forces and structures, which had attempted to lead policy in Crimea toward other reference points, had begun again as of late. It may in this case be considered that the decree is timely and based on the circumstances of recent times.

As far as an interpretation of the comments of the news media is concerned, it has to be said that they are not unequivocal in different news media, not only Russian. And it seems to me that this is explained to a large extent by a lack of or defective information. I do not intend to give this information a wider interpretation because each statement may be evaluated variously, and some inferences may be drawn from it.

As far as the program of support for the normal conditions of habitation of the deported peoples is concerned (this is how I frame the issue—not just of the Crimean Tatar people), this is a problem which is today being studied by the government. The draft budget for this year, and I have just returned from a meeting with the president, at which we considered this matter together with drafters from the Cabinet of Ministers and our commission, makes provision for the funding of this problem. More specifically, this will be considered during the drafting and implementation of a specific program concerning both the Crimean Tatars and other deported peoples.

[Question] What will the criterion of verification of the efficacy of the decisions of the Supreme Council of Ukraine concerning Crimea be?

[Moroz] I believe that the criterion should be stabilization of the sociopolitical situation in Crimea. We need to monitor the situation and analyze it as much as possible. Such factors as a constitution or elections are merely a sign of stabilization, not its full criteria. I believe, therefore, that the decision of the Supreme Council of Crimea in the coming days will be of great significance here. Whether the approach of the Supreme Council of Ukraine is accepted or whether something else dominates the deputies' position, we will understand. Because the first declaration adopted by the Supreme Council of Crimea seems to me to have been adopted against somewhat of an emotional background. And if we read it carefully, it contains much that is strongly felt, and it would be absolutely impossible to realize this. If subsequent work continues in this channel, it will be obvious that some people in the Supreme Council have not understood the essence of the decisions we have adopted.

[Question] Will the decisions of the Supreme Council of Ukraine not be reflected in the course of the visit to Ukraine of the first Russian premier? Have criminal proceedings been instituted against Yuriy Meshkov, which was raised in the decree of the Supreme Council of Ukraine?

[Moroz] Provision is made for a parliament and elections of the Supreme Council of Crimea and the formation of the Supreme Council of Crimea in the Constitution of Ukraine, no provision is made for a president. That measures to prevent the formation of the institution of a presidency were not adopted opportunely, mistakes were made a year ago by the all-state authorities, there is no nonsense here, therefore, and the decisions were adopted simply in accordance with the Constitution of Ukraine [sentence as published].

As regards the procuracy, I cannot speak, since I tried to contact the procuracy this morning but I was told that the prosecutor general continues to be indisposed.

As far as the relationship with Russia is concerned, you will recall, most likely, that calls for O. Soskovets not to go to Kiev were heard. But Yevgeniy Kirillovich (he refers to Marchuk—ed.) has already met him, and, it seems to me, judging by previous contacts with representatives of the authorities in Russia, they have a respectful attitude toward the actions of the authorities in Ukraine, as should be the case between sovereign states.

[Question] What about Meshkov's statement that Ukraine's laws are inoperative for him?

[Moroz] The effects in Ukraine will be as at home, what I mean is that Crimea is also Ukraine. Meshkov was saying the opposite several months ago. This person should be asked when he was telling the truth. In August, appealing to the public and all-Ukrainian interests, when he wanted to break up the Supreme Council, or now, when he is not president and Ukraine is for him a different country. But Meshkov is not Crimea, he is only Meshkov.

[Question] What kind of mechanism of the fulfillment of the decisions on Crimea do you envisage?

[Moroz] As you will have noticed, there is a fair number of them in the specified documents. The institution of the presidency in Crimea is now operating outside of the bounds of the legal field of Ukraine and can in no way be funded from the budget. This is specified in our decree, and this will undoubtedly be fulfilled. There are many other ways specified in our decree, which will be used. In this case, furthermore, I express respect for the person who worked in this office, to whom this work was entrusted. Had he not taken any unconstitutional action, I would not be pressing any complaints at all. The point is that people elected a person on whom they were counting, but they cannot be condemned either. As far as possible steps are concerned, were the Supreme Council to act wrongly (I dislike the subjunctive mood generally), were it to, we will see. And what is to be done—this is specified by our constitution.

[Question] What do you think about the mission of the Russian diplomats connected with the issue to Crimeans of passports of the neighboring country?

[Moroz] The traveling consular group has received instructions, as far as I know, as regards not performing the

functions for which it set out. And I believe that it will be heading home as soon as possible.

[Karmazin] I will specify that in a note of the Ministry of Foreign Affairs of Ukraine permission for the Consular Department to perform any work there said that it should operate according to the legislation of Ukraine and in accordance with the 1963 Vienna Convention. What is happening now does not entirely correspond, to put it mildly, to international practice. The Ministry of Justice and Ministry of Foreign Affairs, therefore, should probably reconsider this question.

[Moroz] I have to say that the Supreme Council of Ukraine does not in the least in this case wish to trample the dignity of the Crimeans. It is a pity that this is not always perceived. When this Supreme Council was formed, it did not enter the meeting hall of its own accord. Nor did the president of his own accord. There was the corresponding political orientation, and this body was formed in accordance with this orientation. We need to respect what was and what is, but have a view of the future. We used the entire field on the side of the Supreme Council of Ukraine for compromise, and no one can censure us for not having valued the authority of power. On the contrary, in September we supported the Supreme Council of Crimea. Now, this also is support for the Supreme Council of Crimea, we are essentially affording it an opportunity to operate in accordance with its powers without glancing over its shoulder at the president.

[Question] Please comment on your words in relation to Yuriy Meshkov as a mirror of Crimean uncertainty.

[Moroz] The actions of the president of Crimea, with the uncertainty of the legal field of Crimea and with its failure to correspond to Ukrainian laws, could only have been such. And the fact that it was Meshkov who was president afforded an opportunity for this uncertainty to be shown in relief. And it is for this reason that he was a mirror of this uncertainty as I understand it.

This issue was flirted with formerly, and an opportunity for presidential elections to be held in Crimea was afforded. I was the first to rebuke the president of Ukraine concerning the fact that presidential elections could not be held in Crimea, and these circumstances were not taken into consideration at that time but the fact remains. And for the citizens of Crimea the office of president was legitimate. But when we brought the situation into line with the constitution, as of this moment it becomes illegitimate.

Senchenko: No Doubt Franchuk Remains Crimean Premier

LD2703172895 Kiev Radio Ukraine World Service in Ukrainian 1500 GMT 27 Mar 95

[FBIS Translated Text] We have been and will continue performing our duties, Deputy Prime Minister Andriy Senchenko of Crimea told a news conference on 27 March in Simferopol. Earlier, on 22 March, the Crimean Supreme

Council dismissed Prime Minister Anatoliy Franchuk and Deputy Prime Minister Senchenko.

Senchenko said he saw no reason to doubt the fact that Anatoliy Franchuk is the head of government, although he remained in the hospital. He added that [Deputy Prime Minister] Arkadiy Demydenko is deputized to act for Franchuk, with the authority to sign all documents, including financial ones.

According to Senchenko, the way out of the crisis within the autonomy's government and parliament is to hold a new parliamentary election. The deputy prime minister accused Crimea's current Supreme Council of working hard to destroy the Crimean economy. He also said he would officially request Ukraine's Acting Prime Minister Yevhen Marchuk to hold an inquiry into accusations brought against him by the Crimean parliamentary majority. Senchenko refused to comment on the appointment of Drobotov as Crimea's new prime minister.

Chernobyl Chief Says Further Catastrophe 'Impossible'

LD2703135095 Moscow INTERFAX in English 1345
GMT 27 Mar 95

[FBIS Transcribed Text] Mar 27 (INTERFAX-UKRAINE)—The information on the possible explosion at the 3rd energy unit of the Chernobyl nuclear power station (NPS), which is carried by the newspaper "Observer", "is groundless and is being spread to put pressure on Ukraine," Director-General of the Chernobyl NPS, Sergey Parashin, told Interfax-Ukraine on Monday [27 March]. He said that, unlike the information carried by the British newspaper, all systems of the 3rd unit "are working normally, and the idle 4th unit does not affect their work."

Parashin said that currently the French firm "Alliance" is preparing feasibility studies for the construction of the second shelter over the 4th unit.

Parashin admitted that the information to the effect that the 3rd unit is unreliable is connected with the plans to raise the cost of the project, for example, to design a shelter also over the 3rd unit. "To build it, it is necessary to stop the unit," said Parashin.

He also said that safety measures similar to those carried out at the Leningradska and Kurska nuclear power stations, are being taken at the station. "No one raises the question about their closure," he said and added that "around \$300 million had been invested in the safety systems." He said that "another catastrophe is impossible today".

A closure of the Chernobyl nuclear power station is one of the conditions for aid to Ukraine on the part of the European Union. The G-7 countries at their summit in Naples in the summer of 1994 also urged Ukraine to close the station.

The Ukrainian leadership, admitting the possibility in principle, estimates the cost of works to deactivate the station at over \$4 billion. The European Union is prepared to set aside for the purpose only \$200 million.

All Ukrainian nuclear power stations work out around 34 of electric energy, including the Chernobyl NPS—around 7 percent.

Economic Issues

Agriculture Minister on 1995 Budget Requirements

WS2703125395 Kiev INTELNEWS in English 2210
GMT 26 Mar 95

["Highlights" of interview with Ukrainian Agriculture and Food Minister Yuriy Karasyk by Fedir Storozhenko, identified as "ER"; place and date not given—from the "Economic Review" feature]

[FBIS Transcribed Text] [ER] Do you think the 1995 draft budget meets the needs of agriculture?

[Karasyk] The budget totally depends upon the situation in the economy. The current budget submitted for Parliament's adoption is the optimum, and, to my mind, it could hardly be the other. Thinking about perspective, I insisted on the adoption of the draft budget at the meeting of the parliamentary agriculture committee. Taking into consideration the current needs and peculiarities of the agriculture sector, it suffers the most because of delays in adopting the budget.

[ER] The current budget does not stipulate the all-around state contract, as it used to be. What are other distinctive traits of the draft?

[Karasyk] I have several remarks on the draft. But as to its agricultural part, it meets the needs of preserving seed-growing, genetics and cattle anti-epidemic measures.

Other important issues are investments into agriculture and state contracts. If a state contract is based on the state budget, while the budget deficit is based on monetary emissions, then such a state contract is of no use either for goods producers or for the state.

[ER] What are the main provisions of your proposition to adopt a three-month budget?

[Karasyk] These days no one can foresee all the nuances of economic development for as long as a year. That is why I proposed that the agriculture committee discuss every three months the results of implementing the budget for the previous three months and to change the tactics of further measures depending upon the momentum of economic development. Then the state will be able to help those branches of its economy that turned out to be the most unprofitable.

[ER] Did you persuade the agriculture committee that it is useless to wait until the state budget allocates as much

money as agriculture needs, and that you insist on increasing state financing for agriculture?

[Karasyk] I believe the agricultural experts understand that the current budget draft should be adopted as soon as possible.

[ER] Some deputies, however, insist on increasing the state financing of agriculture...

[Karasyk] I think it is necessary not to increase the volume of financing, but to pay more attention to the principle of financing, taking into consideration seasonal work. For instance, agriculture during the first six months needs not 50 percent but 70 percent of the planned budget money.

[ER] What alternative ways of financing do you know? Do they stipulate non-budget ways of financing agriculture?

[Karasyk] First, it includes implementing a market economy, including the possibility of adopting futures contracts. We are working this out with independent experts.

Second, it includes goods' credits and investments. Currently, mineral fertilizers are being shipped under futures contracts, under the goods that will be produced.

(Alternative financing includes) anti-inflation measures as well. Those investments that we get through technical support credits are anti-inflation measures. This system of exchange will impede barter deals. The producers sometimes have to carry out barter because they do not have another choice. We will keep pursuing the goal of creating specialized exchanges.

Not only the state but also the market...should be a buyer. However, it is not so easy to achieve this goal. ...Now we know this is a whole system. There is a drafted presidential decree on the creation of an agency of the food resources market. This would be a new program aimed at reforming Ukraine's whole procurement system.

[ER] How do farmers react to these changes and these perspectives?

[Karasyk] Not unanimously. Those who have already started reforming, who have introduced new technologies, who have provided all the necessary material resources for this year themselves, they need market changes. Those who failed to reach the same results, partly due to objective reasons like last year's drought, they are not so enthusiastic about reforms.

All in all, the new changes and the reform in the sphere of procurement that I have already mentioned have to be beneficial for a good's producer.

[ER] The current prices in Ukraine are close to world standards. What is to be done to introduce beneficial foreign trade operations of Ukrainian farmers?

[Karasyk] First, we need world prices on energy and material resources. The prices on mineral fertilizers increased lately and now mineral fertilizers, especially

phosphorus prices in Ukraine are even higher than world prices. So the local producers can introduce higher-than-world grain prices.

The feed industry has the same situation, so milk prices will be higher than world prices, while butter prices, even now, are twice as high as world price. That is why the first things we have to see to are energy resources, energy supply, increases in production rates, intensification in the production process. Secondly, we have to turn away from monopolies in material supply sphere.

And now as to the market protection, some people say that Ukraine has enough tractors, so the state has to impose large fines on importing tractors. However, it should be noted that these tractors and sowing-machines do not correspond to world requirements and technologies. That is why we need to import all the equipment (sowing-machines and combines) and seeds that will contribute to an increase in updated technologies. A goods producer has to decide himself what he wants to use, what gives better results.

At the same time, we have to pay more attention to the protection of the food resources market because it is necessary to supervise food import tariffs each month. If we have enough of this or that food stuff according to the balance, then the tariff should persuade an exporter to reduce the price on the food item he wants to import to Ukraine. And when there is a lack in some food products, then it is necessary to stimulate local production... And if the butter price in Ukraine is higher than throughout the world, then we have to try to make it cheaper. Moreover, it is necessary to impose such an import tariff on, for example, Dutch butter. ...This (tax) will be deducted from the price of our butter to make it cheaper.

Plans for Crimean Special Economic Zone Viewed
WS2703124595 Kiev INTELNEWS in English 2210
GMT 26 Mar 95

[Report by Oleh Poltavskiy—from the "Economic Review" feature]

[FBIS Transcribed Text] Aside from Crimea's political chaos, the hottest topic in Sevastopol these days isn't the fate of the Black Sea Fleet [BSF] or the recurring incidences of cholera or the absence of hot water in most residents' apartments. Since March 1, when Sevastopol mayor Viktor Semenov announced a plan to turn the city into a special economic zone (SEZ), debate rages concerning the ramifications of liberalizing what used to be one of the USSR's most protected cities.

After considering the idea of a free economic zone for more than two years, the city council last month voted to set up a task force and fund to finance the zone's creation. Semenov says the SEZ is necessary because of the "inefficiency in the city's industrial infrastructure, which forces it to depend on subsidies."

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The council of Sevastopol-based Enterprise Directors several days ago asked city authorities for additional information on the SEZ. The council adopted the directors' formal appeal, stressing that the SEZ will solve the local energy and economic crises.

But cynical observers accuse Semenov of inventing the idea so that he cannot be accused of inactivity during his five-year tenure in power. But SEZ proponents say it would strengthen and expand the municipal economy by reducing taxes and customs restrictions, opening up the banking system, and allowing commercial organizations and foreign investors to buy into the city's state-owned enterprises.

"Currently, the SEZ is the only real source for attracting investments in industry, education, health, transportation and communications," says Deputy Mayor Boris Kucher, who chairs the SEZ task force. He says the SEZ concept focuses on combining different types of special zones: customs, export, production and tourism. Enterprises will be responsible for developing their own tax-free investment programs. Local leaders hope foreign aid can be used to hire experienced consultants to help.

According to Viktor Kharitonov, who is in charge of cost/benefit analysis for the task force, the SEZ will provide a major boost to Sevastopol's commercial port revenues. In 1994, 400,000 tons of general cargo and 300,000 tons of oil products went through the port, numbers Kharitonov says could be increased tenfold within five years, adding \$50 million to the city budget.

"The geographical location of Sevastopol is most suitable for foreign trade relations," said Volodymyr Lanoviy, a top Ukrainian economist at a March 23 press conference.

"It would be wrong not to try to seize the opportunity to create the SEZ there. It will be impossible to improve the city's economy without it," said Lanoviy. "I believe the city possesses both economic and material pre-conditions to carry out the project."

But so far most of the talk about the SEZ has been in general terms, and backers of the idea admit that three years is an optimistic estimate for the zone to begin operating. The first challenge is to get a draft law allowing the SEZ on the Ukrainian Parliament's agenda. Nationalist deputies from Western Ukraine are hostile to Sevastopol and the SEZ (in 1991 the city voted 64 to 36 percent against Ukrainian independence, and today regularly hosts USSR restoration rallies). However, Sevastopol deputy mayor Valeriy Ivanov said he received permission on March 13 from Presidium members to lobby parliamentary committees, a step towards getting the SEZ on the legislative agenda.

There is a belief that Kiev will ultimately support Sevastopol's SEZ initiative because of continuing negotiations regarding the Black Sea Fleet. In February Ukraine finally

capitulated to Russia's demand to use Sevastopol as its major BSF base. But Ukraine is still trying to obtain favorable leasing terms that would forgive part of Kiev's energy debt to Moscow; support from the Sevastopol city government would improve Kiev's bargaining position.

Sevastopol understands it has tough competitor cities in Odessa and Uzhorod, both of which have head starts in developing their own SEZ areas. Odessa's SEZ task force has 30 full-time employees with office space and cars, while the new Sevastopol task force members are employed in day jobs. Sevastopol is looking for private financing to shore up its development fund.

However, the main obstacle to Sevastopol's SEZ comes from within the city itself. The free-trade plan would extend customs exemptions only to selected municipal enterprises, a potential source of tension among the rich and poor, in a region where the discrepancy in wealth is already staggering. Sevastopol's Communists, who are well-represented on the city council, have declared their opposition to the SEZ on the basis that it will further social inequality. There is also the environment to consider, say SEZ detractors. Aleksandr Sevrikov, a professor at the Sevastopol Technical University, said the increase in petroleum shipping will further contaminate the Black Sea. He also said the SEZ will increase local air and land pollution.

Another snag is that Sevastopol's closed-city status must be revoked if the SEZ is to be taken seriously (currently, foreigners wishing to visit Sevastopol are required to obtain permission from the Russian and Ukrainian Defense Ministries, the Ukrainian Interior Ministry, and the local police). De-facto Russian Black Sea Fleet officials oppose opening the city, which remains closed to prevent military espionage.

The dominant role played by the BSF in Sevastopol will force the SEZ backers to walk a delicate path of compromise in order to succeed. Task force chair Kucher promises that "the SEZ region will not include the territory of military bases. These operate under the jurisdiction of the Defense Ministry of the (Russian) state which uses the base in compliance with an agreement and Ukraine's laws." But Lanoviy believes it is necessary to discuss the issue. "Such a combined system would insure the durability of the Sevastopol conglomerate."

Kucher said the free economic zones exists at military port cities in China and Portugal, and that Kaliningrad, the home of Russia's Baltic Fleet, is attempting to set up one.

Sevastopol's citizens were introduced to the SEZ concept on March 1, when mayor Semenov and his supporters announced what was billed as a "feasibility study." Yet there remains a lack of concrete information about who will benefit from the SEZ once it is established, not to mention how soon. This confusion leaves many locals without a firm opinion for or against the SEZ. Semenov promises that a plebiscite will be conducted on the issue so residents can have their say.

Moldova**Snegur, Lithuania's Brazauskas Sign Friendship Treaty***LD2703171395 Moscow ITAR-TASS World Service in Russian 1524 GMT 27 Mar 95*

[FBIS Translated Text] Chisinau, 27 Mar—Moldovan President Mircea Snegur and Lithuanian President Algirdas Brazauskas signed a treaty on friendship and cooperation between the two countries in Chisinau today. This document rounded up, as it were, the Lithuanian leader's visit to Moldova today.

"This is the first Moldovan-Lithuanian top-level meeting after independence was proclaimed and I am glad that it passed quite successfully", Mircea Snegur stressed commenting on the results of the talks between the two countries' government delegations that had taken place. After completing the talks the sides signed a protocol on interaction between Lithuania's and Moldova's Foreign Ministries, a consular convention and an agreement on trade and economic cooperation for 1995. Tomorrow morning the Lithuanian president is going back to Vilnius.

Snegur: Referendum on Russian Troops' Stay Illegal*LD2703165395 Moscow INTERFAX in English 1525 GMT 27 Mar 95*

[FBIS Transcribed Text] Chisinau, Mar 27 (Interfax)—Moldovan President Mircea Snegur stated Monday [27 March] that the local elections and referendum on the expediency of the further stay of Russia's 14th Army are "illegal".

During a press conference in Chisinau devoted to the signing of the Moldovan-Lithuanian agreements, he expressed surprise at Russia's position on the issue.

"The 14th Army is the last Russian Army located outside Russia. I'm therefore surprised that Russia, which has signed an agreement and five protocols, and accepted a three-year term for the army's withdrawal, is not taking any measures to put these accords into practice," said Snegur.

Lucinschi Objects to Duma Observers in Dniester Referendum*AU2803071695 Chisinau BASAPRESS in English 2032 GMT 25 Mar 95*

[FBIS Transcribed Text] Chisinau BASAPRESS, 25/3/1995—Petru Lucinschi, Moldovan speaker, sent a message to Russian State Duma chairman Ivan Rybkin regarding the possible participation of Russian deputies as observers in the referendum on 14th Army withdrawal. According to the message, Alexandru Caraman, Dniester vice president, told Tiraspol media that at the recent talks with State Duma representatives it was agreed that Russian deputies will participate as observers in the March 26 referendum on 14th Army withdrawal conducted simultaneously with Dniester local elections. "The Dniester leaders did not address international organizations—Council of Europe, European Parliament—with the request to send representatives for monitoring the course of elections and referendum, while the Organization on Security and Cooperation in Europe (OSCE) Mission to Moldova rejected this proposal arguing that Moldova declared these actions illegitimate," said the message. "Caraman's visit to Moscow and the alleged agreement coincides in time with the period during which Moldova does its best, together with Russian envoy Vladlen Vasev and OSCE Mission, to find political, civilized ways to settle the Dniester dispute. The possible participation of State Duma deputies in the referendum might slow down the negotiations and lead to difficulties in finding out mutually acceptable solutions and worsening the relations between the two Dniester's banks and between Russia and Moldova," said Lucinschi. "Under these circumstances it is harder for us to respond to our opposition whose representatives have repeatedly accused the ruling party of being too servile to Russia," states the message. The speaker demands Rybkin to find "a way to react officially at Mr. Caraman's statements that Russian agrarians and communists agreed to come to Tiraspol by the end of this week. I think that the deputies' refusal to participate in the referendum scheduled by Dniester leaders will speed up the talks on solving the conflict on the left bank of the Dniester and the fulfillment of the Moldovan-Russian agreement on 14th Army withdrawal signed last October," pointed out Petru Lucinschi.

Kazakhstan

Nazarbayev Tells Cabinet To Speed Up Work on Decrees

LD2703204795 Moscow ITAR-TASS World Service in Russian 1514 GMT 27 Mar 95

[By ITAR-TASS correspondent Vladimir Akimov and Amangeldy Akhmetlimov]

[FBIS Translated Text] Almaty, 27 Mar—Kazakh President Nursultan Nazarbayev instructed the Cabinet of Ministers and the National Bank to speed up, as much as possible, preparations for the signing of 17 draft presidential decrees. This was reported in the president's instruction, released today in the KazTAG agency's channels.

The decrees are legally binding and of major importance for the country. They include decrees on bankruptcy, civil service, oil, and the tax code. Kazakhstan's general public has been trying to get them adopted over the past few months.

At the same time nearly all the documents were discussed at the first reading at the Supreme Soviet, which was ruled illegitimate by Kazakhstan's Constitutional Court in early March due to the fact that last year's election had been rigged. But apart from parliamentary discussions, no further action was taken.

The situation in the country now has changed drastically. Nursultan Nazarbayev acquired additional powers on the dissolution of parliament, prior to the new supreme legislative body being formed. He is now entitled to issue legally binding enactments.

President Presents Legal Framework for Referendum

LD2703121595 Almaty Kazakh Radio First Program Network in Russian 0800 GMT 27 Mar 95

[FBIS Translated Text] The president of the Republic of Kazakhstan has issued an edict on republic-wide referendums, which carries the force of constitutional law. It says, inter alia:

Citizens of the Republic of Kazakhstan who have reached the age of 18 will take part in the referendum. Any restriction of the right of citizens of the Republic of Kazakhstan to take part in a referendum, whether direct or indirect, is inadmissible and is punishable according to the law. Citizens deemed incapable by a court and people in prison cannot take part in a referendum.

The subject of a referendum can be:

- the adoption of amendments to the Constitution;
- constitutional laws;
- laws of the Republic of Kazakhstan;
- the solution of other most important issues of the state life of the Republic of Kazakhstan.

The following questions cannot be the subject of a referendum:

- questions leading to a breach of the basic human and civic rights and freedoms;
- alteration of the status of the Republic of Kazakhstan as a democratic, secular, unitary state;
- revision of the republic's form of government;
- the territorial administrative system and the borders of the Republic of Kazakhstan.
- other issues which entail an infringement of the territorial integrity of the Republic of Kazakhstan.

Large-Scale International Fraud Exposed

954F1866A Almaty KARAVAN in Russian No 13, 22 Mar 95 p 1

[Article by Gennadiy Benditskiy: "Spiders in the National Bank: Grandiose International Fraud Uncovered Involving \$2 Billion in Forged Guarantees of the National Bank of Kazakhstan"]

[FBIS Translated Text] The sensational report was issued at a press conference yesterday by top executives of the General Procurement, Committee for National Security, and National Bank.

Zharmakhan Tuyakbayev, Sat Tokpabayev, and Daulet Sembayev related how the large-scale international fraud was uncovered by investigative organs. Had it succeeded, the National Bank and several Western banks would have suffered losses amounting to at least \$2 billion.

Comprising the basis of the fraud was the counterfeiting of National Bank guarantees presented at a number of Western banks for obtaining currency credits.

In the assessment of specialists, all the forged documents were produced by swindlers on a very high professional level, and in the words of National Bank Chairman Daulet Sembayev, "look entirely convincing."

Banking officials were first put on alert in December of last year, when within a period of several days the National Bank of Kazakhstan received faxes from two firms—an Austrian and an American firm—requesting confirmation of bank guarantees, copies of which were attached. Documents attached to the fax discussed \$2 billion which was to be allocated supposedly under guarantee of the National Bank of Kazakhstan to the firm MBI Ltd., registered in London. As the National Bank chairman noted during the press conference, these documents immediately aroused suspicion, first of all because the bank had no knowledge of them, and secondly, because the signatures of bank president and deputy bank president were affixed to them, although such positions do not exist in the National Bank. The National Bank immediately contacted worried Western firms, stating that the documents had been forged and that the National Bank had nothing to do with them. In addition, according to its existing statute, the National Bank has no authority to afford such guarantees independently, without the knowledge of the government. Furthermore, the National Bank hastened to inform the Criminal Bureau of the World Trade Organization, Interpol, the

Kazakhstan General Procuracy, and Kazakhstan Committee for National Security as to what had taken place, in addition to reporting it to the president and prime minister.

Had the planned fraud resulted in success, the gold currency reserve of our state would then have backed up these guarantees. The next stage in the unfolding events was a communication received at the National Bank of Kazakhstan from a very prestigious British bank. This was in the form of a telex responding to an alleged National Bank message of 25 January concerning its "guarantees."

The response of the British bankers comprised a statement reading approximately as follows: "We have read your correspondence with interest but see no reason for changing our position in this matter. Bear in mind that under no circumstances will we be drawn into transactions of this nature. We have nothing to do with such proposals where divulgence of the identities of involved parties is an obstacle."

There was stunned silence at the National Bank—for no correspondence had been officially sent to the British bank. In other words, someone was operating in the name of the National Bank, using the interbank telex communications line...

Kazakhstan's special services quickly succeeded in learning that the British firm MBI Ltd. had surfaced once again in this matter, attempting to establish 20 counterfeit bank guarantees from Kazakhstan in Western banks at 100 million each. Representatives of MBI Ltd. were invited to Almaty to aid in the investigation. During the course of operational measures, the headquarters of the swindlers was uncovered in Kazakhstan's capital—at the office of the minor enterprise Azgir, where forged guarantees of the National Bank of Kazakhstan were "stamped." Upon searching the premises, special services personnel found a large quantity of blank, old-issue, National Bank forms. They also found the National Bank seal—a very accurately produced forgery, as well as copies of all correspondence. Thus, the Committee for National Security managed to arrest five individuals involved in this intrigue. Among them was a low-ranking (in Sembayev's words) employee of the National Bank, formerly a policeman, who rendered intermediary services for a certain fee. Still one more piece of correspondence from a foreign bank later arrived at the National Bank. This time it was a German bank presenting a similar communication from the same firm, MBI Ltd., concerning those same 20 guarantees, confirmed as forgeries but displaying the perfectly affixed signatures of Minister of Finance Pavlov, as well as a phony letter on behalf of the Government of Kazakhstan with the forged signature of Prime Minister Qazhygeldin.

Also figuring in this matter were the forged signatures of National Bank Chairman Sembayev and Deputy Chairman Tadzhiyakov—as similar to the originals as two drops of water.

The investigation revealed that organizations in Russia, Great Britain, Switzerland, Austria, the Czech Republic,

and perhaps other countries, were involved in the production and distribution of forged documents. Following these events, special services personnel arrested two employees of the joint-stock company Birlik right in the National Bank building. Confiscated from them were international bank guarantees with the same number appearing on the others—No. 16, dated 30 January, for \$30 million, printed on a Ministry of Finance form and signed by Minister of Finance Pavlov and National Bank Chairman Sembayev.

It was also reported at the press conference that a second case was being investigated parallel to this one—concerning someone by the name of Daniyarov who applied to receive credits in the amount of \$10 million from a foreign bank. In this instance, he was assisted by former National Bank Deputy Chairman Dudkin, who issued the guarantee. The "businessmen" transferred the money obtained as credit to an account in France, where it just disappeared.

Kazakhstan has now paid the victimized Western bank about \$8 million and continues to suffer losses.

Kyrgyzstan

Akayev on Economy, Policies, Integration

MM2703134595 Moscow ROSSIYSKAYA GAZETA in Russian 25 Mar 95 First Edition

[Interview with President Askar Akayev by Aleksandr Shinkin; place and date not given: "Even Manas the Great Respected Criticism. Kyrgyzstan's President Replies to 'Economic Union' Correspondent's Questions"—from the "Economic Union" Section pp 1, 2]

[FBIS Translated Text] [Shinkin] Askar Akayevich, the lives of people today are increasingly dominated by worries about their daily bread. Naturally, my first question is: What is the economic situation in Kyrgyzstan for which total bankruptcy was being predicted some time ago?

[Akayev] The situation in our economy is grave, as it is, incidentally, in all former Union republics: major slump in production, enterprises coming to a standstill, unemployment.... We are experiencing all this. But the situation is not hopeless.

Over the last few years we have laid down firm foundations for a market economy and have created institutions of private ownership and entrepreneurship. Privatization and destatization of property are actively under way, as is the structural restructuring of enterprises.... To put it briefly, all prerequisites exist for ensuring the start of the republic's economic recovery. For example, we are expecting a noticeable growth of light industrial output already this year.

We are pinning great hopes on the gold extracting sector, although the crisis has not bypassed it either. But gold output started rising already last year. And the quantity of gold obtained from auriferous gravel increased fivefold compared with the previous year. Whereas now we are

producing just over 3.5 tonnes, in some three to five years' time, when the mines are fully operational, in terms of gold production Kyrgyzstan will rank third among CIS countries and 12th or 15th among the world's gold extracting countries. True enough, for the time being this is like a bird in the bush. But we are attracting all sorts of foreign investment to ensure that this bird ends up in our hands.

[Shinkin] And you are thus providing ground for the accusations leveled against you that you are allegedly selling off the country.

[Akayev] The country is being exported and sold off by criminals and corrupt functionaries. In contrast, the investments and credits are helping us to only consolidate Kyrgyzstan's economic potential. Without them we will be unable to uplift our cities and get our industry and countryside up on their feet. After all, the country's economy was founded on intra-Union division of labor—major machine building enterprises and mining and metallurgical combines which depended entirely on deliveries and orders from outside the republic on the one hand, and an agro-industrial complex which was primarily geared to raw materials on the other hand. When the Union disintegrated, our national economy was doomed to come to a standstill.

As a matter of fact, the accusations you mentioned are diminishing. The people are now aware of the truth about the republic's potential and are beginning to realize: Nothing is given for free like manna from heaven, and nobody is going to dish out free meals. But the main lesson lies perhaps elsewhere. People are beginning to realize the simple truth: Our lives are not likely to start improving if we continue to live and work as in the past.

Opening up new deposits using our own resources seemed unimaginable in the past. Things have changed nowadays. The "Solton-Sary" gold deposit, which lies at an altitude of 3,500 meters, was planned, developed, and built using only our own resources, without involving anyone from the near abroad. We assimilated unique technologies. Furthermore, it took only 10 months from the time we drove in the first pegs until we started producing metal. Thus, the help from international financial organizations and leading developed countries is just a backup for the main work we are doing in order to extricate ourselves from the grips of socioeconomic crisis.

[Shinkin] Askar Akayevich, some time ago you drew fire on yourself by introducing your own currency unit. This was done, as the critics claimed, for the sake of receiving the financial aid in question. Is your som not letting you down nowadays?

[Akayev] The national currency's introduction was certainly not prompted by any desire to receive large credits from international financial organizations. Nor was it done in secret. The problem was discussed with many Russian economists and members of government. The point is that confusion and migration processes within the ruble zone are advantageous for some and not for others.

Kyrgyzstan was in the second category. We added up and saw for ourselves: In 1992 we lost 13 billion (I well remember this amount) just through ruble exchange rate fluctuations. This was a vast amount at that time. Furthermore, it increased the budget deficit by almost two-thirds. This calculation convinced me that it was necessary to introduce our own currency.

There was, of course, a lot of confusion to begin with. But we ended last year with inflation at 87 percent. We are planning to bring it down to 30-40 percent this year. Let me also note that one out of every two soms is backed either by gold or by treasury bonds held in U.S. banks. The currency exchange rate is virtually identical at both the black market and the interbank market in our country.

I assume that the collapse of the ruble zone proved advantageous for all. The CIS countries established new relations. And the economic union can now be built on the honest and fair basis of national currencies.

[Shinkin] In the course of interviews, the leaders of other republics do not fail to mention the problems caused by the disruption of economic ties with Russia. You have kept silent about them. Has it not affected Kyrgyzstan?

[Akayev] What can I say that is new? Our largest enterprises were entirely geared to consumers who were located mainly in Russia. Now these enterprises have no end of troubles. There are no orders. There are no supplies. The majority of them are standing idle. Workers have not been paid their wages for months....

There is only one way out—the creation of joint production units and financial-industrial groups. I even offered to Russia to buy the controlling blocks of shares in our 29 largest enterprises. Yeltsin and Chernomyrdin backed this idea. But the presidents' agreement is to this day "doing the rounds" of bureaucratic offices. A Kyrgyz-Russian joint-stock company for developing the "Sary-Dzhaz" lead and tungsten deposit was recently set up with great difficulties.

You must realize that the point at issue here goes further than just mutual advantage. Russia's prolonged absence from Central Asian markets will only help to squeeze it out of here.

Of course, Kyrgyzstan would not like to see this happen. Any break of ties with Russia would be painful for us. I recently conversed with leaders of Bishkek's Lenin Machine Building Plant. The shop producing combine harvester chains has reopened there after a lengthy idling period. Its familiar output has been augmented by new products—chains for Zhiguli and Moskvich cars. The main consumer is Russia, which supplies the metal. The plant now urgently needs skilled workers, but they cannot be found.

[Shinkin] Alas, Askar Akayevich, skilled workers and specialists are now, as a rule, refugees. They were the first among Kyrgyzstan's Slavs, as you said, to leave the

republic. The outflow is still going on. According to unconfirmed data, more than 200,000 of them have left.

[Akayev] Let me note that there has not been a single refugee from Kyrgyzstan. Nor, I hope, dissidents. Migrants—yes. But that is a different story.

We have experienced two main stages of migration. The first followed the well-known events in Osh. A tragic conflict. But, thanks to joint efforts with President Karimov of Uzbekistan, we succeeded at the time to rather quickly neutralize the dangerous hotbeds. The second outburst of Slavs' departure was prompted by the euphoria of independence and sovereignty. As president, I learned a lesson even from the Osh events: I consider interethnic accord in the republic to be the main task of my policy. And I am making all efforts, doing everything possible and impossible, to halt the migration flow.

Here are just some of the measures. Our parliament adopted a land code providing that the land belongs exclusively to the Kyrgyz people. As president, I vetoed it and returned it on three occasions until I succeeded in gaining the support of the majority in parliament. The injustice was eliminated. I did the same with the deputies' amendment to housing legislation, which again was detrimental mainly to the Slavs.

[Shinkin] But you must agree that your efforts are not sufficient on their own. There is nothing more frightening for the life of the nonindigenous population than local nationalism. The quiet survival of the "foreigner," which cannot be noticed by outsiders.

[Akayev] I think it was Bernard Shaw who said that nationality is like the spine, a healthy person never notices that he has one. But even if someone in our country does suffer from this plague, all the symptoms of recovery are present. Let us assume that the language problem used to rank first among the factors causing migration. Current sociological polls indicate that it has slipped down to sixth place. At the top of the list, incidentally, the question of cooperation with Russia has been joined by economic difficulties, in other words people need work most of all.

[Shinkin] It seems to me, Askar Akayevich, that we have overlooked one of the most acute problems facing Kyrgyzstan's Slavs—dual citizenship. Way back in 1992 you signed with Russia a Treaty on Friendship, Cooperation, and Mutual Assistance, which contains a point about the granting of dual citizenship. But nothing has actually been done to this day.

[Akayev] Unfortunately, it is not easy to resolve this problem. There is no such provision in our Constitution, our parliament did not pass it. There are weighty arguments in favor of doing so. Nonindigenous peoples account for almost one-half of the republic's population of more than 4 million. In addition to Russians, Ukrainians, and Belarusians, we also have large Uzbek, Tajik, German, Dungan, and Uygur communities.... A total of about 25 large ethnic groups and a further 50 smaller ones. Which

one should get preferential treatment? All of them? But then there would be no Kyrgyzstan. The Russians? But would such an exception be fair to all the rest? In my view, the best possible solution was reached by Russia and Kazakhstan, which recently concluded an agreement on simplified granting of citizenship.

The adoption of a law on dual citizenship would not be sufficient to maintain Kyrgyzstan's multinational composition. I think that it would be much more important to ensure that the organs of state power provide fair representation not only for the "indigenous" nation but also for the other peoples. In my capacity as president, I will personally take care of this. Otherwise it would be difficult to expect the building of a truly democratic society in the republic.

[Shinkin] Strange. You are talking about market economics and democracy. In the same breath you speak of the Lenin Plant. A pristine monument to Lenin stands in downtown Bishkek as if nothing has happened. Are Lenin and democracy co-existing?

[Akayev] Let me also add that we are probably the only CIS country which has not disbanded the Communist Party. It remains the best organized political force in the republic. All its former secretaries, even the very last one, held eminent positions in the government and in parliament.

In the wake of the government crisis some 18 months ago, I suggested to parliament: Nominate all those whom you consider necessary for inclusion in the government. The parties nominated their own candidates to begin with. A total of 30 persons were nominated. The deputies then took a straw poll and distributed the portfolios according to each candidate's rating. Consequently Amanbayev, a former Communist Party Central Committee first secretary, became vice premier, while another—Masaliyev—headed the committee for mining affairs. And the skies did not collapse upon Kyrgyzstan because of this. Democracy makes it incumbent upon me to work with people nominated by the legitimate organs of power.

[Shinkin] As far as I know, in your capacity as a scientist, you were successful in making light particles obey certain rules and bringing them into a state of accord. But accord in society is evidently difficult to achieve. There is a powerful opposition in the republic. You are perhaps the most favorite person of the free press. It tirelessly praises the president's personality, your wife, and your relatives. Are you, Askar Akayevich, not afraid that you might fall victim to your own popularity?

[Akayev] What can you do—this, as a rule, is the fate of all reformers. But, as a matter of fact, it is not a question of my own personality. When we started building an independent sovereign state, we began with the universal prescriptions of democracy—development of parliamentarism, separation of powers, freedom of the press. The time has now come to bring all this in order and check it against the main criterion of democracy—human freedom.

And yet some other CIS countries opted for taking a somewhat different path. But if we want a genuine democracy rather than a cheap imitation of it, we have to drink up all of this cup. If they are to be capable of running their own lives and shaping their common fate, people must first of all learn to freely express their opinion.

The fact that we have a strong opposition is not bad, either. Whether constructive or nonconstructive, whether its criticism is to the point or is nothing but propaganda passions—these are the opposition's problems, so to speak. Ultimately, people can see very well who is sincerely on their side and who is promoting his own ambitions. I regret just one thing: Tolerance and civic spirit are not always present in public debates. Even though the authorities and the opposition alike must obey the law's demands.

[Shinkin] Tell me, have you ever had the idea of following the advice of Griboyedov's hero: Get all the troublemakers together and apply the force of authority against them? After all, you would more than likely gain quite a few supporters.

[Akayev] I am not too sure. I think that there will hardly be anyone likely to force the Kyrgyz people to abandon their freedom of thought. Respect for authority [chinopochitaniye] was never a trait of our national character even in the past, let alone today.

Here is a typical detail. Whenever I get a free moment, I love browsing through the pages of our national epic poem "Manas," whose millennium will be celebrated this year. Right through the book the great troop leader Manas, who laid the foundations of national statehood, is accompanied by his adviser who is constantly squabbling: Don't do this, don't listen to them, don't choose those knights.... As you can see, we not only honor the freedom of speech but are also accustomed to criticism.

[Shinkin] But why is there talk about the president's dictatorial manners in the republic?

[Akayev] Of course, Akayev has been and remains a champion of democracy. It is a different matter that the experience of our statehood has shown that, taking our specific economic and social features, our culture, and our mentality into account, we have different democratic priorities from the West. In my view, Kyrgyzstan's democratic ideology must combine the West's liberal-democratic ideas with our own people's sound democratic traditions.

I, for example, am convinced that—for the foreseeable future -- a developed local self-government is as important as, if not more important than, parliamentarianism. Local communities themselves are capable of most adequately expressing the public interests and will. This is the social area where the political actions of the country's leadership can be really supported or rejected.

Today I put forward this thesis: Strong executive power, local administration, and self-government must be the backbone of the state.

[Shinkin] Turning back to some more global problems, what is closer to your heart: the CIS or the Eurasian Union?

[Akayev] Those who are actually striving for the effective integration of our countries will naturally opt for Nazarbayev's idea. But I would not pit the CIS against the Eurasian Union. If the CIS integration could be strengthened through the Eurasian Union, whose suprastate structures could be capable of ensuring reliable implementation of joint decisions, and if such a union could be capable of flexibly joining the Commonwealth and possibly becoming its nucleus, why should the one rule out the other? After all, in mathematical language, we are talking about complementary systems.

We must take realities into account. The CIS exists. Over the coming decades we, all of its members, will give priority to cooperation within its framework.

[Shinkin] Nonetheless, a special Central Asian bloc does exist in the region, comprising Uzbekistan, Kazakhstan, and Kyrgyzstan. And it is gathering strength.

[Akayev] We have never striven for isolation. This union is vitally important for us, for all three states. Look at Kyrgyzstan. All the communications linking the country with the outside world—railroads, gas pipelines, and international highways—run across the territories of Kazakhstan and Uzbekistan. We have virtually no oil or gas. Economic integration with the framework of these three states gives us an opportunity to solve these problems. In exchange, Kazakhstan receives our electricity. Nobody is worse off as a result of this. Nor should you forget that our three states are also linked by centuries of shared history and similar mentalities of the peoples. This is why, and in addition to all else, we have established not only purely business relations but actually human relations, when neighbors are prepared to help their neighbor.

Tajikistan

Nazarov Leaves for European Economic Commission Talks

LD2703125995 Dushanbe Radio Tajikistan Network in Russian 1000 GMT 27 Mar 95

[FBIS Translated Text] Talbak Nazarov, minister of foreign affairs of the Republic of Tajikistan, left for Geneva today to participate in the work of the 50th session of the European Economic Commission, which opens 3 April. He will deliver a report on the foreign trade experience and prospects of the Republic of Tajikistan.

Heads of EU and CIS countries foreign ministries will take part in the session. Prior to the session, Talbak Nazarov will participate in the work of a seminar on the subject of development aid for countries which are in a transitional phase as an important factor for their integration into the European and world economy.

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Deputy Minister Receives Delegation From Northwest China

LD2603141195 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 25 Mar 95

[FBIS Translated Text] A delegation from the people's administration of the [Xinjiang] Uigur Autonomous Region of the People's Republic of China, led by (Sunni Syanglik), deputy head of the department for foreign relations, arrived in Dushanbe on 24 March. Gholomjon Mirzoyev, deputy minister of foreign affairs of the country, received the guests. In the course of the conversation, matters relating to the implementation of agreements signed earlier and the development of cooperation in various fields were discussed.

The representatives of China also met officials from the economic and foreign economic relations ministries, the state air company of Tajikistan, and the Tajik society for friendship and cultural relations with foreign countries.

The guests are also scheduled to visit Nurek and Khodzgend.

UN Observer Meets Supreme Council Official

LD2403125295 Dushanbe Radio Tajikistan Network in Tajik 0500 GMT 24 March 95

[FBIS Translated Text] Today, Abdumajid Dostiyev, first deputy chairman of the Tajik Supreme Council, received (Darko Silevic), the head of the UN observers in Tajikistan. In the course of their conversation, they exchanged views on the next round of inter-Tajik negotiations and the current situation on the Tajik-Afghan border. Abdumajid Dostiyev stressed that the influence of the United Nations in stabilizing the situation in Tajikistan is great. He also mentioned that the leaders of the republic always wish to settle issues that come up through peaceful ways. (Darko Silevic) emphasized that he would take practical measures to stabilize the situation and other issues which come under the jurisdiction of this influential organization.

Premier on Readiness To Buy Iranian Oil; Air Link

LD2703105895 Tehran IRNA in English 0936 GMT 27 Mar 95

[FBIS Transcribed Text] Dushanbe, March 27, IRNA—Tajik Prime Minister Dzhamshed Karimov here Monday [27 March] voiced his country's readiness to purchase oil and gas from Iran and establish Tehran-Dushanbe direct air link.

He made the remark in a meeting with Iranian Ambassador to Tajikistan 'Ali Ashraf Mojtahed-Shabestari.

The Tajik premier expressed his country's willingness to use Sarakhs-Bandar Abbas railway to reach southern Iranian ports and have access to the open seas.

He said that access of the Central Asian states to the open seas through the Islamic Republic would facilitate import-export activities in the republics, particularly in Tajikistan due to the difficulties it is facing in transportation area.

Meanwhile, the ambassador voiced Iran's readiness to help Tajikistan in the exploration and exploitation of mines, completion of semi-finished factories and transportation of Tajik export goods to the Persian Gulf littoral states.

Underlining the need to promote bilateral cooperation in such fields as aluminium, leather and textile industries, Shabestari said that a delegation comprising representatives of the Industries and Mines Ministry and Iran's Chamber of Commerce will leave for Tajikistan soon to examine areas for joint cooperation.

The two officials also underlined the need for restoration of peace and stability to Tajikistan and for promotion of bilateral relations.

Rakhmanov on Progress of Talks With Opposition

LD2703181795 Moscow ITAR-TASS in English 1745 GMT 27 Mar 95

[By ITAR-TASS correspondent Galina Gridneva]

[FBIS Transcribed Text] Dushanbe March 27 (TASS)—"The top political leadership of Tajikistan speaks for the speeding up of inter-Tajik negotiations and for conducting of the fourth round of talks, and is prepared to back up any initiative which will help extend and deepen civic peace in the republic. Now all depends on the other side," Tajik President Emomali Rakhmanov said in an interview with ITAR-TASS here today.

Asked about his reaction to the proposal by said Abdullo Nuri, chairman of the Movement of the Islamic Revival of Tajikistan and leader of the so-called government-in-exile, concerning a personal meeting, Emomali Rakhmanov gave a diplomatic answer saying that "in principle he is ready to meet with everyone but there is an official government delegation with broad powers to carry on a dialogue with political opponents."

As for the fourth round of the inter-Tajik dialogue, the Tajik president resolutely spoke for its conduct in Moscow stressing that such an agreement had been reached during the third round of talks in Islamabad last autumn. "These agreements should not be violated," the Tajik leader stressed.

Armenia

OSCE Group Continues Visit to Yerevan

NC2703203195 Yerevan Armenia's Radio First
Program Network in Armenian 1900 GMT 27 Mar 95

[FBIS Translated Text] Soon after their meeting with Armenian President Levon Ter-Petrosyan, the representatives of the co-chairmen of OSCE Minsk Group Vladimir Kazimirov and Anders Biewner held a brief news conference. However, it was enough for the reporters to clarify the nature of the issues under discussion and the significance of the diplomats' visit to the region.

Kazimirov noted that not only the Swedish and Russian representatives, but also their colleagues from the United States, Germany, Hungary, and Finland are also on the delegation. This illustrates OSCE's desire to play a leading role in the resolution of the conflict.

Biewner said that the group has three objectives to accomplish: To assess the cease-fire situation and consolidate it, to take measures for the continuation of the talks which have now been interrupted, to clarify the real obstacles on the way for the talks, and to decide the status of the participants in the talks.

Biewner stated that views on the mechanism of the agreements, deployment of the participants in the peace operation, and dispatch of field-general observers to the zone were also discussed during their visit to Baku and Yerevan. In this connection, he highly assessed Armenia's position on humanitarian operations.

As is known, the OSCE had proposed the release of all the POWs and hostages by 12 May, the first anniversary of the cease-fire. And, President Levon Ter-Petrosyan informed us that six Azerbaijanis have been returned today, 27 March, through the International Red Cross. The first important step has been taken.

In the opinion of the Swedish diplomat it has also been possible to clarify the status of the participants in the talks, and Armenia support this.

Asked if at the present stage the Karabakh's views have been clarified, Kazimirov said that weather conditions prevented them from travelling to Stepanakert and the meeting with the Nagorno-Karabakh Republic Foreign Minister Arkadi Ghukasyan took place in Yerevan.

The delegation returned to Baku today.

Parliament Adopts Bill On Election, Constitution

NC2703212595 Yerevan Armenia's Radio First
Program Network in Armenian 1900 GMT 27 Mar 95

[FBIS Translated Text] The Republic's Supreme Council began its weekly session today. The Supreme Council press service reported that the Supreme Council, meeting under Deputy Chairman of the Parliament Artashes Tumanian, first took up the issue of determining the agenda. In keeping with the Supreme Council decision and

standing orders, issues moved over from the previous sessions and a number of legislative initiatives were included in the weekly agenda.

The chairmen of the Supreme Council's permanent commissions submitted the agreements reached at the arbitration commission, which is made up of representatives of the parliament and government. These refer to the problem of indexing the savings of the people in the Armenian Savings Bank in 1995, the state budget, the 1995 socio-economic program, and the currency and credit policy. In their brief statements, Economy Minister Armen Yeghiazaryan and Finance Minister Levon Barkhudaryan explained the government's position on these issues, and Bagrat Asaturyan explained the position of the Central Bank.

Deputy Chairman of the Supreme Council summed up the results of the parliamentary debate.

The Republic's Prime Minister Grant Bagratyan spoke last.

The Supreme Council voted and approved, with agreed upon changes and addenda, the republic's 1995 state budget, the socio-economic plan, and the currency and credit policy program. It also confirmed that the 1993 state budget had been fulfilled.

The documents adopted by the parliament and the addenda made to them envision the implementation of a new wage system, real increase—at least five times—in the wages of those paid from the state budget. The Republic's government, the Central Bank, and the prosecutor general have been instructed to compensate the saving houses, which have suffered due to the illegal transactions made by some banks and financial-credit organizations.

Another decision of the parliament envisions the transfer of 15 percent of the sums accrued for the 1995 state budget from the privatization of state enterprises and unfinished objects during 1995 for the indexing the population's savings in the Armenian Savings Bank. Also, concrete instructions have been issued to the government in this direction.

The Supreme Council meeting under First Deputy Chairman of the Supreme Council Ara Sahakyan, took up the next issue on the agenda: The voting on constitutional amendments, which are directly related to the bill on the election of deputies to the National Assembly. By a vote of more than two-thirds of the deputies, the parliament made a very important political decision by adopting the republic's Law on Constitution. Accordingly, Armenia's future legislative body, the National Assembly, will have 190 deputies. Of which 150 will be elected by a system of majority votes in election districts where one candidate can stand, and 40 with proportional votes from a single republic wide electoral district.

Also, with the decision of the Supreme Council, the issue of adopting the republic's new Constitution through a

referendum has also been solved. This is of great significance for the development of our sovereign state.

The Supreme Council will continue its deliberations tomorrow.

Azerbaijan

OSCE Delegation Visits Azerbaijani-Armenian Zone

LD2703174395 Moscow INTERFAX in English 1622 GMT 27 Mar 95

[From the "Diplomatic Panorama" feature: by Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov]

[FBIS Transcribed Text] BAKU, Mar 27 (Interfax)—The purpose of the visit of the OSCE delegation to the zone of the Azerbaijani-Armenian conflict is to decide on the status of the conflicting parties at peace talks, the Azerbaijani president's apparatus told Interfax.

The same source said that the Armenian community in Nagorno Karabakh sought that Nagorno Karabakh be given the status of an equal participant in the talks which contradicted the decisions of the Minsk Conference.

In accordance with the OSCE decisions, Yerevan and Baku are the negotiating parties while representatives of the Azerbaijani and Armenian communities of Nagorno Karabakh will participate in the talks only as the parties concerned.

The same source said that the delegation of the OSCE Minsk Conference would return to Baku from Armenia this evening. The OSCE delegation is not scheduled to meet with Azerbaijani President Geydar Aliyev.

The OSCE delegation is headed by representatives of the co-chairmen of the Minsk Conference, Russian diplomat Vladimir Kazimirov and Swedish diplomat Anders Biewner.

The visit of the OSCE delegation to the conflict zone began on March 24. The delegation met with the Azerbaijani leaders and visited Armenia and Nagorno Karabakh on March 25-26.

OSCE Group Leaves Baku for Yerevan

NC2703144395 Baku TURAN in English 2114 GMT 26 Mar 95

[FBIS Transcribed Text] Baku (March 25) TURAN—Last evening the OSCE delegation at the head of the representatives of the co-chairmen of the Minsk Conference, Vladimir Kazimirov and Anders Biewner, left Baku for Yerevan. The delegation will also visit Hankendi [Stepanakert]. On March 27 the OSCE mission will arrive back in Baku.

"The issue concerning the Lachin corridor has difficulties", Vladimir Kazimirov told Turan's correspondent. "It is not desirable that Nagorno-Karabakh once again

become enclave inside Azerbaijan. The Azeri leadership also understands it, but it connects this issue with withdrawal of the Armenian troops from occupied territories, including Shusha and Lachin. The Armenian party does not wish Russia, the OSCE or the UN take control over the corridor", he said. Kazimirov said that presently the OSCE Minsk Group seeks for the optimum settlement of this issue. Vladimir Kazimirov mentioned that the Azeri party insists on the international control over the Lachin corridor, while Armenian party does not agree with that. Kazimirov expressed dissatisfaction with the fact that both side waste time instead of moving the negotiation track.

"The cease-fire has been observing for more than 10 months, but there is stagnation in the negotiation process, the parties are stubborn in discussion of secondary formulations of the Major Political Agreement", he mentioned. Kazimirov said that the parties forget that the cease-fire regime is fragile and it can be broken any time.

Vladimir Kazimirov considers that in order to avoid possible break of the cease-fire, it is necessary to activate the direct contacts between the sides. He says that the parties are in full agreement that in case of military incident one party can directly apply to the other party for explanation. The reply must be given in 6 hours.

Touching upon the peace-keeping operation in the conflict zone, Kazimirov mentioned that the positions of the parties in this issue are also polar. "The Azeri party considers that this operation must be completed within 6-7 months, while the Armenian party thinks that it must last for 10-20 years. Such difference in positions worsens the possibility of conduction of the operation", he said. Kazimirov says that in such conditions the peace-keeping operation appears to be hopeless. Kazimirov says that if the Security Council of the UN was the guarantor of the peace-keeping operation of the OSCE, the parties would not have delayed or shortened terms of the operation. "I together with the cochairman of the Minsk Conference, Valentin Lozinskiy, visited Washington for discussion of this problem", he mentioned.

Commission Reviews Iran Trade, Cooperation

954F1894A Baku AZERBAYDZHAN in Russian 18 Mar 95 p 3

[Unattributed report: "Azerbaijan Will Obtain an Outlet to Iranian and Turkish Lines of Communication"]

[FBIS Translated Text] Under the present conditions, when the road from the north has been cut off, relations with our southern neighbor—Iran—with its outlet to world lines of communication, become particularly significant. It should be added to what has been said that the sole road linking Azerbaijan with the blockaded Nakhchivan Autonomous Republic also runs via Iran.

The creation by an edict of the president of 23 February 1995 of a State Commission for Cooperation With the Islamic Republic of Iran in the economic, commercial, and

humanitarian spheres headed by Yashar Aliyev, deputy speaker of parliament, is logical, therefore.

The first session of the commission, which was held last Saturday, was devoted to a discussion of specific questions and problems requiring an urgent solution.

Speaking of lines of communication, mention should be made primarily of the agreement that has been reached on the linking of Astara and Qazvin by a 350-km railroad. Linking the two cities, it will afford an outlet to the entire system of Iran's railroads, which will facilitate the outlet to the Persian Gulf, and also to the Turkish Mediterranean. But the parties have yet to come to a unanimous opinion on the site for the erection of a bridge over the Araz and on a number of other matters.

Concerning the present level of mutual relations, S. Sadykhov, vice premier and minister of economics, evaluated it as being "quite high": Products totaling \$242 million are exported to Iran, products worth \$66 million are imported. According to the minister, Iran has become the leader among Azerbaijan's economic partners: Its share of Azerbaijan's imports constituted 38-39 percent, of its exports, 42 percent. Seventy-eight Azerbaijani-Iranian joint ventures are operating at this time in the field of mechanical engineering, light and food industry, and agriculture. Nonetheless, in the unanimous opinion of the participants in the session, trade is preponderant in the cooperation of the two countries.

For this reason there was repeated emphasis at the session of the need for an increase in Iranian investments in the sphere of production. There is a specific proposal for the organization of the production of nitrogen fertilizer in the city of Ali-Bayramly. Its commissioning would make it possible to satisfy Azerbaijan's domestic cereals requirements. Iran is also prepared to assimilate the manufacture of carbonated water on advantageous terms for Azerbaijan and to erect a plant for the production of cement in Nakhchivan.

It is significant that the two countries' cooperation in the customs sphere has been clouded by a problem of a "calendar" nature: Weekends in Iran and Azerbaijan do not coincide, and this is slowing the dynamics of the trade flow. According to an agreement signed recently, the customs houses will operate without days off. There have been blunders: The Astara authorities, for example, are levying a tax on Iranian motor vehicles that is paid into local coffers. In response, a tax has been levied as of 1 February at all Iranian customs posts on Azerbaijani automobiles traveling to Nakhchivan. In the opinion of Ya. Aliyev, head of the state commission, the Astara District Council's decision should be canceled. "Matters in this sphere affect the interests of the two countries," Ya. Aliyev explained, "and for this reason they should be decided at the interstate level."

The session concluded its business with the creation of working committees of the state commission for transport, communications, customs, industry, finance and banks,

trade and economics, oil and gas, power engineering, science, and health care, with the participation of the leaders of the corresponding ministries and departments. The committees have been instructed to have drawn up draft documents containing proposals of the Azerbaijani side within 10 days' time.

Export Tax Rates To Be Lowered

954F1894B Baku GUNAY in Russian 18 Mar 95 p 1

[FBIS Translated Text] The Ministry of Economics of Azerbaijan has prepared a package of proposals and addenda to the law "On the Export Tax."

As Oktay Akhverdiyev, chief of the ministry's General Department for Macroeconomics and Structural Policy, announced, tax rates on exports of Azerbaijani products will, according to a proposal of the economic department, be lowered considerably.

O. Akhverdiyev also observed that this bill will not extend to the exports of "early oil" from the Chirag-1 oil platform planned for the end of next year, since the profits will be distributed by the parties according to the contract for the development of the Azeri, Chirag, and Gunesti fields signed on 20 September.

Georgia

Shevardnadze on Economy, Russian Troops

LD2703123595 Tbilisi Radio Tbilisi Network in Georgian 0546 GMT 27 Mar 95

["Regular Monday" interview with head of state Eduard Shevardnadze by Nato Oniani; place and date not given; intercepted in progress—live]

[FBIS Translated Excerpt] [Shevardnadze] Previous economic trends continued last week. Our attention was focused on vital problems that are still to be solved, in particular, the strengthening of the coupon, work on creating conditions for the introduction of the lari [future Georgian currency], budget revenue, collecting taxes from the sale of grain received in the form of humanitarian aid and grants and paying them promptly into the budget, and providing good organization for the mass distribution of [privatization] vouchers. Of all our macroeconomic problems, the solution of these aforementioned tasks is vitally important. Adding to this the task of conducting the spring sowing campaign in an organized manner, we will get the whole range of issues which we had to tackle last week and which will be addressed in the next few days by the government and all structures under the authority of the head of state.

From this range of issues, I would single out the voucher problem. As you know, I have issued an edict in this connection. It is a very important landmark in our life since it elevates every citizen of Georgia to the rank of proprietor. [passage omitted]

There is another question I would like to mention—a trend toward the merging of banks. You know I have met with bank presidents. By the way, one newspaper said that banking reform has not yet started in Georgia. This is not right. The most important stage in banking reform is the flotation of banks. This process has started. And now there is this trend toward the merging of banks. Some of them may merge, some may go bankrupt. But, in principle, this process has started. I have entrusted appropriate structures with drawing up as soon as possible documents setting out the policy of the state in this connection.

I will not dwell on economic problems now because the results of the country's economic performance in the first quarter of this year will be available before mid-April, and we will then be able to discuss these issues in more detail. [passage omitted]

I would like to start discussing the results of the visit by Russian Defense Minister Grachev by saying the following. The question now is whether or not Georgia will become a single state. This problem of a single state is, I believe, a question of life and death. A disintegrated country is a prerequisite for permanent chaos, for permanent, endless chaos.

I would like to say that some people in Georgia seem to favor this prospect. I do not know whether they do it consciously or because they are unable to understand things, but my impression is that many people would really prefer to live in the conditions of chaos and instability. To tell you the truth, I am not surprised that some citizens have such preferences. You will remember the tragedy of Sukhumi. Was it not a Georgian man there giving orders to leave and surrender Sukhumi? Was it not the case that on the basis of these orders battalions were withdrawn from Sukhumi at a time when they had to stay there with the rest of us.

If man cannot see it, God will know how many ways and options have been tried—I mean, ways of restoring the country's integrity. Everything has been tried. I must say that the country will not be saved by hysterical protestations. The last 10 years of Georgian history have really been dramatic—I have said this before, in one of my speeches. Have there been mistakes, or, a chain of errors, according to one deputy? Of course, there have been mistakes, and, unfortunately, this has not only been the mark of recent years. It all started earlier, at the height of the totalitarian system. A lot has been said about it before, and it is not necessary to repeat what the authorities already know full well.

The decision concerning the bases has been prompted by the harsh reality of these days and by an analysis of the past, present and future. The reality is that without Russia it will now be impossible to unite the country. This is reality. If someone can offer us a different solution, they should tell us, but the solution that has been proposed is not realistic. They say that we will be able to unite once they [the Russians] leave. I know what will follow this, I

can see it very well, and these options have been considered as well. This is my answer to your question whether or not all this has been considered.

Is it in Russia's interests that its armed forces remain in Georgia? Of course, it is. But if Russian armed bases are a guarantee for Georgia becoming a single state, if they bring us a single state, will it not be in our interests as well? Grachev's visit may become a very important landmark if everything develops in accordance with what we have agreed upon. He was not only talking for himself. He came here as a representative of the Russian president and as an authorized representative of the entire government. Both in Tbilisi and Sochi, he was negotiating on behalf of the Russian president.

[Oniani] Very little has been said about the meeting in Sochi. The television has only said that you are satisfied with its results. Could you discuss this meeting in more detail?

[Shevardnadze] The Sochi meeting was very important. But, perhaps, we should discuss this issue a little later, in a few days, because the results achieved there—if one can speak of any results at this time—are to be reported to the Russian leadership. We will then have to examine this together, and only after that can this become the subject of public debate.

As I said, if everything develops in accordance with what has been agreed upon, the outcome should not be bad. I repeat that we are talking here about prospects for uniting the county, recovering lost territory and creating conditions for the establishment of real peace in the country, and ensuring that these conditions remain.

Was it these prospects that prompted part of the parliamentary opposition to set like hawks upon the ministers who went on this special assignment to Sochi and, on my behalf and on my instructions, took part in the dialogue there. What is more important, is it parliamentary debate, or doing real things to unite a dismembered state? This is how I see this question.

I know that every phrase in the initialled treaty will be scrutinized through a magnifying glass. It may happen tomorrow or next week. However, before it happens, before you take the floor—I am addressing my opponents—let me remind you once again that the initialling of treaties is not parliament's business. You can either ratify a treaty or not. This is parliament's business, and parliament has a final say in this. As for drawing up a treaty, initialling it and signing it by the head of state, these are duties to be carried out by the executive authorities and the head of state. After that, a debate should begin in parliament, the text should be studied and submitted to parliament for examination. These rules exist in every country, and we should probably also observe them.

At the same time, I would like to ask everybody to take into account the condition put forward by the Georgian side during the initialling of this treaty. I have said it

before, but I am forced to repeat it now. The head of state will sign and present this treaty for ratification if the country's jurisdiction is restored on its entire territory, and if Russia's participation in the building of the Georgian Army is defined in specific terms—I mean the form this participation will take, you know what I am talking about—and if Russia's obligations are defined in the specific terms of years and stages. I must say that Mr. Grachev considered this requirement, presented by the Georgian delegation and the head of state, with full understanding.

So, what is the point of delaying a process which has started, and which will largely determine the present and future of Georgia. God forbid, I am not trying to reprove people who have genuine reservations, fears, and so on. They have the right to have them, but, at the same time, I would like to help them think realistically about possible solutions. In practice, there is no alternative. Let us proceed from the current situation.

I nevertheless think that what has happened in Georgia recently may become a very important landmark in the building of the state.

[Oniani] You say that we want our territorial integrity to be restored, we want Russia to help Georgia build its army, and so on. [passage omitted] But what if this does not happen, what if Russia again fails to meet its obligations?

[Shevardnadze] I would say the following. The Security Council, which is the supreme body as far as security guarantees are concerned, has passed 10 resolutions on Abkhazia. What if these resolutions are not implemented? In fact, they have not been implemented. Should we not have passed these resolutions?

I repeat that this is the last chance to save the country and restore its integrity. Do we believe it? I do, I do. If I did not believe it, then, of course, Mr. Nadibaidze [Georgian defense minister] would not have initialled this treaty without my permission and instruction. I believe, and I repeat that at this stage it is unrealistic to speak of restoring Georgian integrity without a decisive role being played by Russia.

[Oniani] When parliament discussed the deployment of Russian troops, there was talk that Western support would be lost, that pipelines for oil and gas transit through Georgia would not be laid if this treaty was signed, and so on and so forth. There was also talk about a deterioration

of relations with Turkey. This is very important because Turkey is our big neighbor. Was all this taken into account? Following Grachev's visit, you met the Turkish ambassador to Georgia, Mr. Okyayuz. Has there been any deterioration in our relations with Turkey?

[Shevardnadze] As I said, Georgia, and me personally, have tried all available options. For our state policy, the most important priority—perhaps the word priority is not strong enough—is to become a single state, protect the rights of the country's citizens and obtain real guarantees ensuring these rights. Among our priorities I would name our obligations to the Abkhaz and Ossettians. This will be done a little later, although certain proposals are gradually taking shape. It is important for me to say today that this will be a fair decision taken in accordance with world standards.

That is what our friends want. They want to see a united, single and democratic state which provides real guarantees for the protection of the rights of ethnic minorities. I have said many times before that we have developed excellent ties with our close big neighbor, Turkey. The president has twice visited Georgia, and I have visited Turkey several times. Turkish-Georgian relations are not only relations between the governments, but they are already turning into relations between the two countries' citizens. You know that our ties are developing fast.

Just like all our big friends throughout the world, Turkey also needs and wants the Georgia which I described earlier. Only a stable Georgian state can be acceptable. An unstable, dismembered and ruined Georgia can cause a lot of problems for many countries. I think that this reality was considered by the Russian leadership and President Yeltsin, when he put forward his proposals, conveyed through Mr. Grachev and Mr. Nikolayev [director of the Russian Border Service], who came here earlier as the president's special envoy.

A stable country will further strengthen ties with all states in the world. An unstable country in a state of chaos is shunned by everyone. If Georgia fails to become stable, fails to achieve what is required, if we fail to unite, and if we are in a chaotic state, then everyone will abandon us, even our best friends, both in the West and East. That is why I repeat that stability, becoming a single country, and continuing the course of democratic state development will ensure that the number of our friends grows further, while friendship with countries with which we are establishing or will establish ties becomes stronger. [passage omitted]

Lithuania**Danish Prime Minister Positively Assesses
Bilateral Ties***LD2703163595 Moscow INTERFAX in English 1623
GMT 27 Mar 95*

[From the "Diplomatic Panorama" feature: Reports by our diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov and others]

[FBIS Transcribed Text] Vilnius, Mar 27 (INTERFAX)—Danish Prime Minister Paul Nyrup Rasmussen told a press conference with the participation of Lithuanian Prime Minister Adolfas Slezevicius today that he highly appraised Lithuanian-Danish cooperation but believed that it could still be developed. The Danish prime minister is now on the second day of his visit to Lithuania.

The Danish prime minister repeated that Lithuania would become a EU associated member in May. He said the Danish government would continue to put efforts for accelerating integration of the Baltic states with the EU, NATO and other European structures.

Slezevicius said there were no more problems hindering the coming initialling and signing of the treaty on Lithuania's associated membership in the EU.

Brazauskas Views Forthcoming Trip to Ukraine*LD2703154795 Moscow INTERFAX in English 1434
GMT 27 Mar 95*

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrei Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] Lithuanian President Algirdas Brazauskas is beginning a two-day official visit to Ukraine on Tuesday [28 March]. Before his departure he met with Ukrainian journalists, among them an Interfax correspondent.

Brazauskas said that "Lithuania is interested in cooperation with Ukraine." To promote economic cooperation, both countries must set mutual payments in order and find their optimal form, he said.

Speaking about the forthcoming talks with Ukrainian President Leonid Kuchma, Brazauskas said that he had met with Kuchma on many occasions and had always managed to find a common language with him. "It's easy for me to hold talks with him," he said. "He is an economic administrator, and so am I," he added. He also said that the development of Ukraine and Lithuania had had very much in common over the past decades.

In his opinion, both countries "must use their geographical location to the best advantage, because 'Lithuania is the gate to Northern Europe for Ukraine, and Ukraine to Southern Europe for Lithuania.'"

He backed the principle of "territorial integrity and unity of Ukraine." Saying that the political and legal situation in Crimea was an internal affair of Ukraine, he expressed hope that the Ukrainian leaders "would solve this problem in a civilized way, and on the basis of laws and the constitution."

IF note: Leader of the Lithuanian parliament's opposition Vytautas Landsbergis told Interfax that "he was following the moves by the parties involved in the Crimean conflict with deep concern." "I have no reasons to doubt the legitimacy of Kiev's constitutional decisions. I fear, however, lest Ukraine might use force in Crimea," he said. Speaking about Ukraine's future, Landsbergis expressed the opinion that "a place in Europe would be the best future for Ukraine." However, Russia will oppose this because it "wants to have nearby an unstable intermediate zone for its own influence near by, not a stable Europe."

Brazauskas stated that Lithuania is "ready to support Ukraine's efforts to get integrated with Europe." Lithuania backs Ukraine's plans to become a member of the Council of Europe, which is "very important because it is a sign of recognition of the democratic forms of government, and the observance of human rights and the rights of ethnic minorities," he said.

He announced that the treaty on Lithuania's associated membership in the European Union would be signed in the first half of this year. To ensure this, Lithuania will have to amend its laws. A preliminary agreement has been reached with all factions of the Lithuanian parliament that amendments envisaging foreign citizens' right to own land in Lithuania will be made in the Lithuanian laws, said Brazauskas.

Strict observance of the constitution is the main prerequisite for cooperation between different branches of authority, said Brazauskas. He also said that his work was facilitated by the fact that members of the Democratic Labor Party, which he led prior to his election to the presidential post, constitute a parliamentary majority. However, there are debates on cardinal issues in parliament, and I have not signed some of the draft laws approved by the parliamentary majority, he added. "In fact, I have not lost a single case," he said.

He said that the parliamentary opposition was very well organized. "While in power, it did a great deal and restored Lithuania's independence. But it failed to carry out the reforms, and eliminated the system of collective farms without offering any alternative," said Brazauskas.

He announced that he held regular consultations with the leaders of all parliamentary factions. Among the most disputable issues are foreign-policy issues, including relations with Russia, he said.

Asked about the Lithuanian experience in dealing with the Russian military transit, Brazauskas stated that his country was ready to pass this experience to Ukraine, through whose territory Russia's 14th army will be

removed from Transdnistria. To quote Brazauskas, Russia tried to put pressure on Lithuania in this issue, by using "discriminatory economic measures." "As a result, we have lost markets in Russia but found them in the West," he said. He said that 50 percent of the Lithuanian exports went to the West (compared to 10 percent a few years ago).

Speaking about the successes which Lithuania has scored over the period of reforms, Brazauskas named the stability of the national currency, the litas; privatization and the

growth of the gross national product. To stabilize the litas, Lithuania had to use "unpopular measures" which helped beat down the annual rate of inflation from 1,000 percent in 1992 to 45 percent in 1994, he said.

Noting that the rate of inflation was slightly lagging behind the growth of the population's incomes, he said, however, that social security was one of the most complicated problems. He said that the size of the minimal pension (140 litai or \$35) and wages and salaries of those employed in the state-run enterprises, were insufficient.

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